

Committee: Budget Planning Committee
Date: Tuesday 30 January 2018
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 - 6)

To confirm as a correct record the minutes of the meeting held on 28 November 2017.

5. Chairman's Announcements

To receive communications from the Chairman.

6. Draft Budget and Business Plan 2018/19 (Pages 7 - 40)

****Appendix 4 to this report will follow as it is being reviewed and finalised****

Report of Executive Director – Finance and Governance and the Interim Director.

Purpose of Report

To set out draft proposals for the Corporate Strategy, Revenue and Capital Budgets 2018/19 and Medium Term Revenue Plan for the Committee to consider and recommend to the Executive.

Recommendations

The meeting is recommended:

- 1.1 To consider and recommend the draft Corporate Strategy 2018/19 to the Executive as set out in Appendix 2;
- 1.2 To note the draft Risk Register aligned to the draft Corporate Strategy at Appendix 3;
- 1.3 To consider and note the Fees and Charges set out at Appendix 4;
- 1.4 To consider and recommend the 2018/19 draft revenue budget set out in paragraph 3.24 to Executive and then Full Council in February;
- 1.5 To consider and recommend to Executive the level of Council Tax increase for 2017/18 before this is formally approved by Full Council in February;
- 1.6 To consider and recommend the Medium Term Revenue Plan (MTRP) set out in Appendix 5 to Executive and then Full Council in February;
- 1.7 To consider and recommend the 2018/19 capital programme set out in Appendix 7 to Executive and then Full Council in February;

7. Exclusion of Public and Press

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.”

8. Exempt Appendices Draft Budget and Business Plan (Pages 41 - 46)

Exempt appendices 5, 6 and 7.

9. Re-admittance of Press and public

The Committee to resolve to re-admit the Press and Public.

10. Review of Committee Work Plan (Pages 47 - 48)

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

Yvonne Rees
Chief Executive

Published on Monday 22 January 2018

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 November 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 Andrew McHugh
Councillor Barry Richards
Councillor Tom Wallis
Councillor Sean Woodcock

Substitute Members: Councillor Barry Wood (In place of Councillor Alan MacKenzie-Wintle)

Also Present: Councillor George Reynolds
Councillor Andrew Beere
Mr Alan Harris – Montague Evans
Mr Adrian Peachy – Montague Evans

Apologies for absence: Councillor David Anderson
Councillor Alan MacKenzie-Wintle

Officers: Paul Sutton, Chief Finance Officer / Section 151 Officer
Chris Hipkiss, Interim Property & Investment Manager
Belinda Green, Revenues and Benefits Manager
Mandy Emery, Joint Benefits Team Leader
Lesley Farrell, Democratic and Elections Officer

41 **Declarations of Interest**

There were no declarations of interest.

42 **Urgent Business**

There were no items of urgent business.

43 **Minutes**

The minutes of the meeting of the Budget Planning Committee held on 31 October 2017 were agreed as a correct record and signed by the Chairman.

44 **Chairman's Announcements**

There were no Chairman's announcements.

45 **Council Tax Reduction Scheme 2018-2019**

The Chief Finance Officer submitted a report which provided members with an update on the consultation process that had taken place on the proposals for the Council Tax Reduction Scheme (CTRS) 2018-2019.

Resolved

- (1) That the contents of the report and any financial implication be noted.
- (2) That Executive be recommended to agree that the Council Tax Reduction Scheme for 2018-2019 remain unchanged as part of the budget setting process

46 **Review of Committee Work Plan**

The Committee considered its work programme.

The Chairman advised the Committee that following consultation with the Chief Finance Officer, he had agreed to the scheduling of an additional meeting of the Committee. This would take place at 6.30pm on Thursday 7 December 2017.

Resolved

- (1) That the additional meeting on the 7 December 2017 be noted.
- (2) That subject to resolution (1) the work plan be noted.

47 **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.

48 **Acquisition of Castle Quay Shopping Centre**

The Chief Finance Officer submitted an exempt report on the Acquisition of Castle Quay Shopping Centre.

Resolved

- (1) As set out in the exempt minutes.
- (2) As set out in the exempt minutes.
- (3) As set out in the exempt minutes.

The meeting ended at 9.17 pm

Chairman:

Date:

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Cherwell District Council

Budget Planning Committee

30 January 2018

<p>Draft Corporate Strategy Corporate Strategy and Revenue and Capital Budgets 2018/19</p>

Report of Executive Director – Finance and Governance and Interim Director

This report is public

Appendices 5, 6 and 7 to this report are exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972

Purpose of report

To set out draft proposals for the Corporate Strategy, Revenue and Capital Budgets 2018/19 and Medium Term Revenue Plan for the Committee to consider and recommend to the Executive.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider and recommend the draft Corporate Strategy 2018/19 to the Executive as set out in Appendix 2;
- 1.2 To note the draft Risk Register aligned to the draft Corporate Strategy at Appendix 3;
- 1.3 To consider and note the Fees and Charges set out at Appendix 4;
- 1.4 To consider and recommend the 2018/19 draft revenue budget set out in paragraph 3.24 to Executive and then Full Council in February;
- 1.5 To consider and recommend to Executive the level of Council Tax increase for 2017/18 before this is formally approved by Full Council in February;
- 1.6 To consider and recommend the Medium Term Revenue Plan (MTRP) set out in Appendix 5 to Executive and then Full Council in February;
- 1.7 To consider and recommend the 2018/19 capital programme set out in Appendix 7 to Executive and then Full Council in February;

2.0 Introduction

- 2.1 The proposed Corporate Strategy and Budget for 2018/19 are presented as an integrated report demonstrating that the Council adopts a strategic approach to managing all of its resources, ensuring that the delivery of the Council's priorities for the district directs the allocation of financial resources.
- 2.2 This report sets out the draft Corporate Strategy, which the Revenue and Capital budgets for 2018/19 are formulated from. The Corporate Strategy and budgets will be considered and approved by the Executive on the 5 February 2018 and will then form the basis of the council tax setting report which is due to be considered by Full Council on the 26 February 2018.
- 2.2 The report considers the impact of the provisional local government finance settlement, which was announced on 19 December 2017, on its Corporate Strategy, Budget and the Medium Term Revenue Plan.
- 2.3 The Council is in the final year of a five year Corporate Strategy, which will be reviewed and refreshed for 2019/20. The content of the plan has remained largely the same however the presentation of the plan has been updated. It is now represented as a "plan on a page" and will be supported by the key measures and KPI's that will demonstrate the successful delivery of the Plan.
- 2.4 Throughout the autumn and winter officers have been preparing the budget in line with the Corporate Strategy and budget guidelines approved by the Executive at its meeting of the 2 October 2017. A copy of the guidelines is included at Appendix 1.

3.0 Report Details

Corporate Strategy 2018/19

- 3.1 Appendix 2 sets out the corporate Corporate Strategy for 2018/19, which is derived from the Council's five year strategy. These inform the development of the annual budget and direct operational Service Plans for all services. This plan was considered and supported by the Overview and Scrutiny Committee on 23 January 2018.
- 3.2 The five year Business Strategy, the Medium-term Financial Strategy, the Annual Corporate Strategy, individual service plans and ultimately the appraisal targets of all individual employees demonstrate that the council has a clear and robust "golden thread" between resource availability and delivery of the council's agreed strategic priorities. This is, in times of austerity, fundamental and will help us to provide effective leadership to all of our residents and businesses. It will also demonstrate that we are adopting a more mature and commercially aware approach to running our council.
- 3.3 The integration of services and management structures have created a single organisation on the inside, serving the two councils on the outside. This has recognised the similarities between the two Council areas, but also allowed sufficient flexibility to service the differences and unique elements of each.

- 3.4 The Corporate Strategy for 2018/19 recognises that continuing convergence and represents a joint plan for the two councils, in the form of a single “Plan on a Page”. (see Appendix 2)
- 3.5 The content of the plan represents a “light touch” review, broadly continuing with the themes and priorities within the two Councils’ five year strategic plans, but updating, where appropriate to align with emerging issues and challenges across the area.
- 3.6 A combined vision for the area articulates our overall ambition:-
“Great places to live, work, visit and invest”
- 3.7 Our three joint strategic themes, break this vision down into the key areas of focus for the plans:-
- Protected, Green & Clean
 - Thriving Communities & Wellbeing
 - District of Opportunity & Growth
- 3.8 Priority workstreams within each of the strategic themes then start to articulate how we will deliver our ambitions
- 3.9 The delivery of the plan is underpinned and enabled through a joint organisational plan, illustrated on the Plan on a Page, as three pillars, representing the basis upon which we will continue to develop our organisation :-
- Operational Excellence – will ensure sound financial management, corporate governance and use of resources
 - Public value – will focus on the quality of the services and solutions that we provide to our broad range of customers and stakeholders
 - Best Council to work for – recognises that the services we provide rely on great people and effective, sustainable partnerships
- 3.10 The Corporate Strategy forms the basis of the Council’s performance management framework and progress will be reported quarterly.
- 3.11 Operational service plans set out detailed performance measures and targets for the forthcoming year. These will be finalised after Council has adopted the budget and Corporate Strategy.
- 3.12 Any Corporate Strategy needs to recognise and articulate the risks the organisation faces in being able to deliver the plan. A new Leadership Risk Register has been developed to align to the Corporate Strategy and is set out at Appendix 3.
- 3.13 As with the Financial and Performance information, this will be reviewed and reported into Committee on a regular cycle

Provisional Local Government Finance Settlement

- 3.14 On the 19 December 2017, the Secretary of State for Communities and Local Government, the Rt Hon Sajid Javid MP made a statement on the provisional local government finance settlement for 2018/19. The final settlement is likely to be announced towards the end of January 2018.
- 3.15 The provisional settlement contained no major changes related to the existing Medium Term Settlement, which has a further two years (2018/19 and 2019/20) to run. It also confirmed that the changes to New Homes Bonus scheme would be introduced as agreed i.e. a four year scheme with a baseline of 0.4%.
- 3.16 The relevant changes that were introduced included agreeing the 20% increase for planning fees, albeit that these must be used for service improvements and a 1% increase in the maximum Council Tax increase to 3%.
- 3.17 The settlement proposes RSG, Business Rates Baseline Funding and New Homes Bonus (NHB) for the next two years, until the revised 100% Business Rates Scheme can be introduced.
- 3.18 There were announcements regarding the new scheme, which included a consultation on the proposed “Fair Funding Review.” This will form part of the new funding regime and along with a reset in growth will be used to “fairly” redistribute Business Rates to Local Authorities.
- 3.19 As with any redistribution methodology there will be winners and losers. Given the Council has generated significant growth and there will likely be a shift of resources for Social Care and geographical deprivation. We are likely to end up a loser on the redistribution, there is however likely to be a damping mechanism in place which restricts the amount that is lost.
- 3.20 Whilst the settlement itself did not result in changes for 2018/19 the Valuation Office Agency has revised the data on the change in rateable value between rating lists. This has impacted upon the tariffs and top ups, which affects the level of pooled business rates. The impact on Cherwell is a increase of £25k on the estimated pooled rates.

Fees and Charges 2018/19

- 3.21 The current proposed fees and charges for 2018/19 are attached at Appendix 4 they have been completed in line with the budget guidelines and will form part of the 2018/19 budget book.
- 3.22 Although fees and charges produce significant income for the Council, there are factors that influence the Council’s ability to set fees and charges: Some are set by Statute, others are set to break-even and some are outsourced to third parties.
- 3.23 This leaves the Council with fewer discretionary fees and charges to set, and this, in turn, reduces the impact on the overall budget.

Statutory fees and charges

Certain fees and charges are set by Government, and are outside the Council's control, for example planning application fees, and others, such as fees and charges related to gambling are subject to review by the Gambling Commission and the Department for Culture, Media and Sport.

Requirement to break-even

These are fees and charges which are set under regulations that place a requirement to break-even on the Council, for example building control fees and licensing. In these cases the charges are reviewed following completion of the expenditure budget so that a full assessment of break-even can be undertaken.

Fees and charges retained by third parties

The agreements that the Council has for leisure management include provisions to allow the management company to retain the income collected. In this case increases in fees and charges are linked to RPI in January each year.

Discretionary fees and charges

These are the fees and charges which the Council is free to set without restriction from legislation or regulation. Of the total income from fees and charges shown on the attached sheets, which exclude statutory charges, totalling £800,000, approximately half is discretionary. This is made up largely of sports and leisure and waste fees and charges.

Draft Revenue Budget

- 3.24 The initial Medium Term Revenue Plan (MTRP) for 2018/19 showed a funding gap of £0.45m. The budget presented in this report follows significant work by officers and the Budget Planning Committee in order to arrive at a balanced budget position. Table 1 (next page) shows the draft General Fund Revenue Budget for consideration by the Executive.

Table 1 - Revenue Budget 2018/19	Original Budget 2017/18	Proposed Budget 2018/19	Movement	Movement
	£000	£000	£000	%
EXPENDITURE				
Chief Executive	187	250	63	33
Wellbeing				
Communities	1,542	1,584	42	3
Leisure and Sport	3,638	3,564	(74)	(2)
Housing	2,091	2,038	(53)	(3)
Sub Total	7,271	7,186	(85)	(1)
Place & Growth				
Planning Policy and Development	1,407	1,444	37	3
Economy and Regeneration	1,692	1,513	(180)	(11)
Sub Total	3,099	2,957	(142)	(5)
Environment				
Environmental Services	5,170	5,886	716	14
Environmental Health and Licensing	(207)	16	223	(108)
Sub Total	4,963	5,902	939	19
Finance and Governance				
Law and Governance	1,130	1,198	68	6
Finance and Procurement	1,482	1,751	269	18
Property, Investment and Contract Management	(558)	(3,787)	(3,229)	579
Sub Total	2,054	(838)	(2,892)	(141)
Customers and Service Development				
IT Services	2,809	2,762	(47)	(2)
Strategic Marketing and Communication	317	326	9	3
HR, OD and Payroll	401	678	277	69
Performance and Transformation	526	594	68	13
Sub Total	4,053	4,360	307	8
NET COST OF SERVICES	21,627	19,817	(1,810)	(8)
Transfers to/from Reserves	(1,887)	3,451	5,338	(283)
Interest Payments	0	2,074	2,074	0
Interest on Investments	(1,954)	(2,935)	(981)	50
Pension Costs - Historic	4,985	257	(4,728)	(95)
Capital Charges	(4,002)	(4,002)	0	0
NET BUDGET REQUIREMENT	18,769	18,662	(107)	(1)
FUNDING				
Formula Grant Equivalent				
Business Rates Baseline	(3,564)	(3,673)	(109)	(3)
Revenue Support Grant	(1,105)	(637)	468	42
Sub Total	(4,669)	(4,310)	359	8
Grants Awarded				
Transfer to Parish Councils for CTRS	349	349	0	0
New Homes Bonus	(4,468)	(4,009)	459	10
Sub Total	(4,119)	(3,660)	459	11
Business Rates Growth				
Retained Business Rates	(2,231)	(2,600)	(369)	(17)
Pooling Gain	(1,562)	(910)	652	42
Renewable Energy	(213)	(287)	(74)	(35)
S31 Inflation Cap	0	(108)	(108)	(100)
NNDR Collection Fund Deficit	648	(223)	(871)	134
Sub Total	(3,358)	(4,128)	(770)	(23)
Council Tax Income				
Baseline	(6,377)	(6,377)	0	0
Taxbase increase	0	(129)	(129)	(100)
Council Tax Increase	0	0	0	0
Collection Fund	(246)	(58)	188	76
Sub Total	(6,623)	(6,564)	59	1
TOTAL INCOME	(18,769)	(18,662)	107	1
(SURPLUS) / DEFICIT	0	(0)	(0)	0

- 3.25 In order to balance the budget from the initial MTRP, further reductions in costs and increases in income were taken into account. The main drivers for this are summarised in Table 2 below and these adjustments have resulted in a balanced budget.

Table 2: Adjustments to proposed budget 2018/19

Movement Summary	£000
Employee Costs	380
Contracts and General Inflation	200
Major Pressures / Savings / Income	
Recycling Contract	600
Castle Quay & Property Management	(2,895)
Other Savings	(95)
Change to Net Cost of Services	(1,810)
Use of Reserves - NHB and Pension	610
Interest Paid - CQ & GH	2,074
Investment Income	(981)
Budget Requirement	(107)

Funded by	£000
Reduction in Formula Grant	359
Reduction in New Homes Bonus	459
Increase in Business Rates	(770)
Reduction in Council Tax	59
Net Funding Increase	107

Proposal for Council Tax 2018/19

- 3.26 The current level of council tax is £123.50 p.a. at Band D. This has been the level of Council Tax for the last 8 years.
- 3.27 The table below sets out details of potential Council Tax increases of 0%, 1%, 2% and 3% and their impact upon the Band D and Budget 18/19.

	0%	1%	2%	3%
Band D	123.5	124.7	126.0	127.2
Taxbase	52,681.6	52,681.6	52,681.6	52,681.6
Income	£6,506,178	£6,571,239	£6,636,301	£6,701,363
Increase		£65,062	£130,124	£195,185

- 3.28 The Committee will need to make a recommendation on the proposed level of Council Tax increase for 2018/19.

The Future – Medium Term Financial Strategy 2019/20 to 2022/23

- 3.29 The coming years will present further challenges, which in the main will result from the move towards the 100% Business Rates regime from 2020/21. The actions the Council has taken in recent years with investments in Graven Hill, Castle Quay and Crown House allied to the strong track record and commitment in delivering efficiencies place it in a strong position to be successful in the Medium Term.
- 3.30 It is of course important not to become complacent especially given the level of uncertainty surrounding funding from 2020/21. The forward planning together with the joint working with South Northamptonshire Council (and any other partners that we collaborate with), combined with our commitment to identifying alternative sources of income and commercial practice to provide financial independence strengthens our position to meet the forecast challenges of future years. The Council will update its MTRP forecast to be included in the 2018/19 budget book and this is shown at Appendix 5 (Exempt).

Capital Programme 2018/19

- 3.31 A list of capital bids is attached at Appendix 6 (Exempt), together with the detailed bid appraisal forms.
- 3.32 A proposed capital programme for five years from 2017/18 is attached as Appendix 7 (Exempt). This includes bids submitted for 2017/18 and the six items that are included on a five year rolling programme:
- Disabled Facilities Grants
 - Discretionary Grants for Domestic Properties
 - Vehicle Replacement Programme
 - East West Rail Contribution
 - Hardware and Software Replacement Programme
 - Business Systems Replacement Programme

4.0 Conclusion and Reasons for Recommendations

- 4.1 The above narrative alongside the appendices represents the draft business, risk register and budget for 2018/19 for approval by the Executive. If agreed, they will be recommended to Full Council on the 26 February and be considered alongside the setting of the 2018/19 Council Tax.

5.0 Consultation

Public Consultation

- 5.1 The development of the Council's Corporate Strategy and budget is shaped by undertaking public consultation including using the Citizen's Panel and an annual customer satisfaction survey.

5.2 In addition, the draft budget has been available on the Council's consultation portal for comment.

Other Consultation

5.3 As part of our commitment to a whole Council approach to the setting of the budget and our priorities for the year ahead, the Council's Overview and Scrutiny Committee has been invited to help shape the proposed Corporate Strategy for 2017/18.

5.4 During its meeting on 18 January 2017, Scrutiny Committee offered a number of suggested changes to the draft Corporate Strategy for 2017/18 which have subsequently been considered and incorporated.

5.5 The Budget Planning Committee has considered the budget through its meetings during July 2016 to February 2017.

5.6 The corporate values, forming part of the operational excellence strategy have been the subject of consultation with the Managers' Forum and Unison.

6.0 Alternative Options and Reasons for Rejection

6.1 This report presents a draft analysis of the Council's revenue and capital budget and Corporate Strategy for 2018/19. They will be presented together to the Executive on 5 February and Full Council on the 26 February to support the setting of the Council Tax at the same meeting.

6.2.1 It is a legal requirement to set a balanced budget and the recommendations as set out and directed by the Corporate Strategy represent what is believed to be the best way of achieving this.

6.2.2 Members could decide not to agree the recommendations or to present alternative budget proposals but that would run counter to the detailed budget setting process that has taken place as part of the formulation of this budget.

7.0 Implications

Financial and Resource Implications

7.1 The financial effects of the revenue budget are identified in the report. The new capital schemes are detailed in Appendix 6. Any decisions made in relation to on-going expenditure or income in the budget for 2017/18 will have repercussions in future years when current forecasts indicate the financial environment is likely to become increasingly difficult. The Council has a statutory duty to set a balanced budget and could be subject to the intervention of the Secretary of State if it failed to do so.

Comments checked by:

Cecilie Booth, Interim Assistant Director of Finance, 01295 221731

cecilie.booth@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2. The Council is legally required to set a balanced budget which the recommendations will achieve if recommended by Executive and approved by Full Council. Due consideration of external responses to consultation is also required and I am informed has taken place as part of the budget process.

Comments checked by:

Nigel Bell, Interim Legal Services Manager, 01295 221687

nigel.bell@cherwellandsouthnorthants.gov.uk

Risk Management

- 7.3 The Corporate Strategy and Budget position are reflected with the new Leadership Risk register, which is attached to the report as Appendix 3. The register reflects that where there are significant risks these are being managed and mitigated appropriately. The risk register is updated on a regular basis and reported to the Accounts, Audit and Risk Committee.

Comments checked by:

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

louise.tustian@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.4 Impact assessments will be carried out in advance of setting the 2018/19 budget.

Comments checked by:

Caroline French, Business Transformation Project Officer, 01295 221586

caroline.french@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: Yes

Community Impact Threshold Met: Yes

Wards Affected

Not applicable

Links to Corporate Plan and Policy Framework

Enhancing the Council Performance

Lead Councillors

Councillor Barry Wood, Leader of the Council &
Councillor Tony Illott – Lead Member for Financial Management

Document Information

Appendix No	Title
Appendix 1	Budget Guidelines 2018/19
Appendix 2	Draft Corporate Strategy 2018/19
Appendix 3	Draft Risk Register 2018/19
Appendix 4	Draft Fees and Charges 2018/19
Appendix 5	MTRP 2017/18 to 2022/23
Appendix 6	New Capital Bids 2018/19
Appendix 7	Capital Programme 2018/19 – 2022/23
Background Papers	
None	
Report Author	Paul Sutton, Executive Director – Finance and Governance Richard Ellis – Interim Director

This page is intentionally left blank

GUIDELINES FOR THE PREPARATION OF THE 2018/19 BUDGET

Principles

- Protect Frontline Services
- Focus attention on corporate and service priorities and improving performance
- Maximise joint working potential and commercialisation income
- Maximise procurement opportunities and contract negotiations

These budget guidelines have been developed within a consistent corporate framework to ensure:

- implementation of agreed savings and efficiency proposals
- resources are allocated to Council priorities
- inappropriate competition between services for resource allocations is minimised
- a transparent method for charging a fair cost between internal Council services.

The guidelines are designed to positively encourage managers and elected members to do the following:

- bring forward ideas and options to make more effective use of existing resources, clearly identifying how the ideas may develop over a 3-year period, including any requirements for pump priming money.
- link the budget setting process to Service Plans and the requirement for the identification of options, which will produce efficiency savings.
- focus attention on corporate and service priorities and improving performance.

Budget Deliverables

1. Prepare and submit draft revenue estimates for 2018/19 and the next 4 years (5 year forecast) which fully reflect the service priority and consultation event findings and match the current duration of the MTRP.
2. Prepare and submit a draft 5 year capital programme. All schemes to carry a full project appraisal including strategic objective, priority, value for money assessment, and details of any revenue impacts. In particular the phasing of expenditure over the life of the project, so as to minimize slippage. All capital project appraisals will be validated by the Budget Planning Committee. All schemes previously approved to start in 2018/19 and onwards will be carried through for consideration.
3. The 2017/18 outturn, adjusted to take account of the full year effect of savings identified in setting the 2017/18 budget, and one off items will be assumed to be the “**base budget**”.

Budget Timetable

The revenue and capital budget is agreed by full Council before 11 March each year. The 2018/19 budget will be considered at Council in February 2018.

Revenue Budget Guidelines

Income

In building income budgets it is essential that a realistic assessment of income achievement is undertaken. Budget holders should use their knowledge of past trends and current market conditions in assessing income levels for the future and the scope for increases in fees and charges.

It is important to look at not only financial information but also non-financial information such as activity data on customer usage and trends to help build realistic income estimates.

Variations to the existing approved budget for income must be clearly identified and explained.

Variations in fees and charges need to be considered taking into account the Council's priorities and objective to ensure that proposals are consistent with these priorities and objectives.

Growth

- It is the aspiration that the net impact of all growth items should be **ZERO**.
- Growth arising from changes in legislation / regulation or service planning will **ONLY** be allowed if it is fully funded by transferring resources within the same service or from within the same Directorate. Any such transfer either within the same service or the same Directorate can only come from demonstrably lower priority services. A growth proforma should be completed detailing full requirements.

Financial assumptions - should be used in estimating changes in expenditure and income over the medium term.

- Provide for general inflation in 2018/19 on all expenditure (excl payroll) and fees and charges as per forecasts in our MTRP model and will be used in the budget module as below:

CPI Forecast (OBR) %		Budget %	
2018	2.3%	2018/19	2.5%
2019	2.0%	2019/20	2.5%
2020	2.0%	2020/21	2.5%
2021	2.0%	2021/22	2.5%
2022	unavailable	2022/23	2.5%

Current CPI (August 2017) per the ONS is 2.7%.

- Payroll – payroll inflation is included at the following levels:

Year	%
2018/19	2.0%
2019/20	2.0%
2020/21	2.0%
2021/22	2.0%
2022/23	2.0%

- Interest rates should be forecasted as below:

Year	Arlingclose forecast
2018/19	0.25%
2019/20	0.25%
2020/21	0.25%
2021/22	unavailable
2022/23	unavailable

The Bank of England is now forecasting an increase in rates to 0.5% for the short to medium term.

All financial indices above are subject to further review in the budget process and may be subject to change.

Budget Process: Base Budget Review and Savings

The budget for 2018/19 will be based on the same methodology as for 2017/18. Directorates will not be asked to take their base budget and prepare a range of savings options of up to 20%, instead this year the process will be based on a Base Budget Review (BBR).

The BBR will still use historical data, but will not have the presumption that the service **NEEDS** the same resources and budgets.

The following factors will be used to produce a 3-year Directorate budget:

- Trend Analysis – variance review of the last three years expenditure / income to identify any that should be captured in the budget.
- In Year Monitoring – what does the current budget monitoring identify in terms of variances that should be captured in the budget;
- Challenge – Finance staff will work with budget holders using the the above tools to provide support and challenge to ensure budgets are based upon need.

Efficiencies from Joint Working

In the last 10 years the Council has successfully generated efficiency savings from across the organisation to limit the impact on front line services and set a year on year balanced budget.

Government cuts and service pressures are expected to continue well into the medium term and in millions not thousands. This cannot be sustained through a

continuation of driving traditional efficiency savings. The Council must adopt new ways of delivering more collaborative and commercial services if it to continue to be sustainable in the medium term and delivering high quality services.

The Council continues to develop joint working with South Northamptonshire Council and has established a Teckal company to deliver the Revenues and Benefits Service at both Council's. It is anticipated that this model will also be applicable to other services.

This incremental approach is designed to ensure that there are sufficient solutions and savings being generated to balance the budget in the short and medium term.

Commercialisation

The need for a more commercial perspective to existing services where appropriate has been identified but there must also be a drive to new and innovative ways of generating income. The Transformation Workstreams are already in place and a number of workstream savings have been included in the budget for 2017/18.

With interest rates at historically low levels, the Council has explored options for better use of cash held. Such commercial opportunities are designed to produce a return significantly higher than market interest rates.

Capital programme Guidelines

- Capital resources are reducing over the life of the MTRP. The development of 5-year rolling capital programme and resources should be drawn up within the context of the following objectives:
 1. The generation of additional reserves and balances, with appropriate contingencies.
 2. Opportunities to invest to save.
 3. Maintaining Council assets and the Council's infrastructure to agreed standards.
- A capital project appraisal is required for each bid and this will be validated by the Budget Planning Committee who will make recommendations for schemes to be included in the 2018/19 capital programme. All schemes previously approved to start in 2018/19 and onwards will be carried through for consideration.

Procurement

When setting both the 2018/19 budget and future years, regard should be given to the Corporate Procurement Strategy and the Council's Contract Procedure rules. In particular, budgets and projections should be based on Corporate and agreed framework contracts. Further advice and guidance can be obtained from the Council's Procurement Team.

Risk

The budget process is fundamental to the Council's financial management regime and Members need to be assured that all pertinent issues are properly considered when making key decisions on the Council's future finances.

In drawing up revenue budget proposals, risk assessments should be undertaken to test the robustness of proposals and to identify key factors which may impact on the proposals put forward. Where appropriate action plans should be put in place to manage/mitigate the risks identified – this may include a risk provision within the budget which can be calculated by your service accountant.

With a Revenue Budget covering all the Council's services and activities of over £18m, the potential for an issue to be missed or not considered properly will always be there. The budget process is designed to minimise this risk and throughout the process there are frequent meetings with Joint Management Team and Executive to progress any changes and developments.

This page is intentionally left blank

**Joint Corporate Strategy
2018-19**



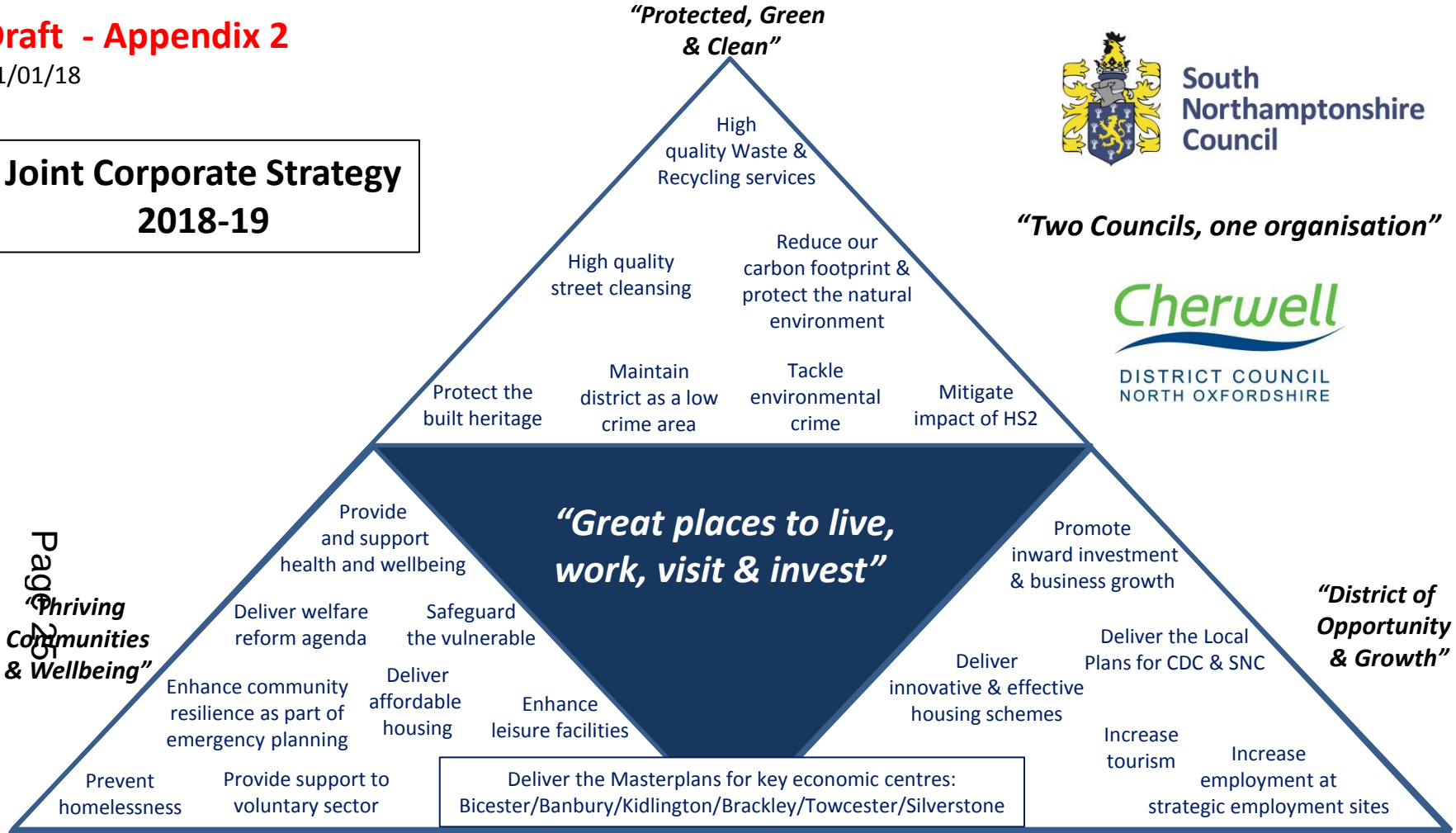
**South
Northamptonshire
Council**

“Two Councils, one organisation”



**DISTRICT COUNCIL
NORTH OXFORDSHIRE**

Page 25
**Thriving
Communities
& Wellbeing”**



Shared Organisational Plan

Operational Excellence
 Rigorous Financial Management
 Income optimisation
 Commercial & Procurement excellence
 Effective Governance
 Alternative Delivery Vehicles

Public Value
 24/7 access to services
 Right first time, every time
 Service at point of need
 Efficient & effective services
 Customer Service Excellence

Best Council to work for
 Sustainable relationships with key partners
 Culture of Innovation & Creativity
 Effective People service
 Employer of choice
 Enabled through digitisation
 Corporate Social responsibility

This page is intentionally left blank

CDC/SNC Joint Programme									
Appendix 2									
	Version : 20180115 v2 (m)								
SBP ref	Business Plan goal	Portfolio Holder	Director	Lead Officer	Last completed milestone	Next milestone	Milestone target date	Project end date	Status
1	Protected, Green & Clean								
1.1	Maintain high quality waste & recycling services	Cllr Debbie Pickford Cllr Dermot Bambridge	Ian Davies	Ed Potter					
1.2	Provide High Quality Street Cleansing Services	Cllr Debbie Pickford Cllr Dermot Bambridge	Ian Davies	Ed Potter					
1.3	Tackle Environmental Crime	Cllr Debbie Pickford Cllr Dermot Bambridge	Ian Davies	Ed Potter					
1.4	Reduce our carbon footprint and protect the natural environment	Cllr Kieron Mallon Cllr Steve Clarke Cllr Dermot Bainbridge Cllr Karen Cooper	Ian Davies Adrian Colwell	Jackie Fitzsimons Nicola Riley					
1.5	Mitigate the effects of HS2	Cllr Steve Clarke Cllr Colin Clarke	Paul Feehily	Paul Seckington					
1.6	Maintain the District as a low crime area	Cllr Kieron Mallon Cllr Karen Cooper	Ian Davies	Nicola Riley					
1.7	Protect the built heritage	Cllr Roger Clarke Cllr Colin Clarke	Paul Feehily	Clare Mitchell					

SBP ref	Business Plan goal	Portfolio Holder	Director	Lead Officer	Last completed milestone	Next milestone	Milestone target date	Project end date	Status
2	Thriving Communities & Wellbeing								
2.1	Provide & support Health & Wellbeing (Work to ensure rural areas are connected to local services) (Develop and sustain access to local services)	Cllr Tony Ilott Cllr Steve Clarke Cllr Colin Clarke Cllr Kieron Mallon Cllr Karen Cooper	Ian Davies Adrian Colwell Claire Taylor	Nicola Riley Natasha Barnes					
2.2	Provide enhanced leisure facilities	Cllr Karen Cooper Cllr George Reynolds	Ian Davies	Sharon Bolton					
2.3	Provide support to the voluntary sector	Cllr Kieron Mallon Cllr Karen Cooper	Ian Davies	Nicola Riley					
2.4	Enhance community resilience as part of emergency planning	Cllr Phil Bignell Cllr Kieron Mallon	Ian Davies	Nicola Riley					
2.5	Prevent homelessness	Cllr Steve Clarke Cllr John Donaldson	Ian Davies	Joanne Barrett					
2.6	Safeguard the vulnerable	Cllr Karen Cooper Cllr Steve Clarke Cllr John Donaldson Cllr Peter Rawlinson	Ian Davies Paul Sutton	Nicola Riley Belinda Green Joanne Barrett Tim Mills					
2.7	Deliver Affordable Housing & Work With Private Sector Landlords	Cllr John Donaldson Cllr Steve Clarke Cllr Roger Clarke Cllr Colin Clarke	Ian Davies Paul Feehily	Tim Mills Joanne Barrett Paul Seckington					
2.8	Deliver the welfare reform agenda	Cllr Steve Clarke Cllr John Donaldson	Ian Davies	Tim Mills Joanne Barrett					

SBP ref	Business Plan goal	Portfolio Holder	Director	Lead Officer	Last completed milestone	Next milestone	Milestone target date	Project end date	Status
3	District of Opportunity & Growth								
3.1	Deliver innovative and effective housing schemes	Cllr Steve Clarke Cllr John Donaldson	Ian Davies Paul Sutton	Tim Mills Joanne Barrett Jane Norman					
3.2	Increase tourism (Consider steps to support the visitor economy and the wellbeing of town centres)	Cllr Steve Clarke Cllr Lynn Pratt	Adrian Colwell	Steve Newman Greg Ward					
3.3	Deliver the masterplans for the key economic centres: Bicester/Banbury/Kidlington/Brackley/Towcester/Silverstone	Cllr Roger Clarke Cllr Colin Clarke	Adrian Colwell	TBC					
3.4	Increase employment at strategic employment sites & Promote inward investment and business growth	Cllr Steve Clarke Cllr Lynn Pratt	Adrian Colwell	Greg Ward Steve Newman					
3.5	Delivery against Local Plans for CDC & SNC	Cllr Roger Clarke Cllr Colin Clarke	Adrian Colwell	Andy Darcy David Peckford					

This page is intentionally left blank

Joint KPIs		Appendix 2a				2017/18 Actual		2018/19 Target		2018/19 Actuals											
Version : 20180115 v2 (m)										April		May		June		Quarter 1					
KPI ref	KPI name	Good is....	P/H owner	Director	Lead Officer	CDC	SNC	CDC	SNC	CDC	SNC	CDC	SNC	CDC	SNC	CDC	SNC	Frequency of measure	Member or Operational measure	Joint or Council specific measure	
1 Protected, Green & Clean																					
1.1	% of waste recycled and composted	H	Clr Dermot Bambridge Clr Debbie Pickford	Ian Davies	Ed Potter													Quarterly	M	CS	
1.2	% Customer Satisfaction with Waste & Recycling service	H	Clr Dermot Bambridge Clr Debbie Pickford	Ian Davies	Ed Potter													Annually	M	CS	
2 Thriving Communities & Wellbeing																					
2.1	Number of households living in Temporary Accommodation (TA)	L	Clr John Donaldson Clr Steve Clarke	Ian Davies	Joanne Barrett													Quarterly	M	CS	
2.2	Time taken to process Housing Benefit new claims	L	Clr Peter Rawlinson Clr Tony Ilott	Paul Sutton	Belinda Green													Monthly	M	CS	
2.3	Time taken to process Housing Benefit change events	L	Clr Peter Rawlinson Clr Tony Ilott	Paul Sutton	Belinda Green													Monthly	M	CS	
2.4	Customer satisfaction with benefits process	H	Clr Peter Rawlinson Clr Tony Ilott	Paul Sutton	Belinda Green													Quarterly	M	CS	
2.5	Number of Visits/Usage to District Leisure Centres	H	Clr George Reynolds Clr Karen Cooper	Ian Davies	Sharon Bolton													Quarterly	M	Joint	
3 District of opportunity & growth																					
3.1	% of major planning applications processed within 13 weeks	H	Clr Roger Clarke Clr Colin Clarke	Paul Feehily	Paul Seckington													Monthly	M	CS	
3.2	% Planning Appeal decisions allowed	H	Clr Roger Clarke Clr Colin Clarke	Paul Feehily	Paul Seckington													Monthly	M	CS	
3.3	% Planning enforcement appeal decisions allowed	H	Clr Roger Clarke Clr Colin Clarke	Paul Feehily	Paul Seckington													Monthly	M	CS	
3.4	% of non-major applications processed within 8 weeks	H	Clr Roger Clarke Clr Colin Clarke	Paul Feehily	Paul Seckington													Monthly	M	CS	
3.5	Maintaining 5 year land supply	H	Clr Roger Clarke Clr Colin Clarke	Adrian Colwell	Andy Darcy David Peckford													Quarterly	M	CS	
Corporate KPI's																					
4 Operational Excellence																					
Page 31	Cumulative in year savings vs budget	H		Paul Sutton														Monthly	M	CS	
	% Capital schemes with green RAG rating	H		Paul Sutton														Monthly	M	Joint	
	Council tax collected as a % of Council Tax due	H		Paul Sutton														Quarterly	M	CS	
	4.4 Business Rates collected as a % of Business Rates due	H		Paul Sutton														Quarterly	M	CS	
	4.5 Cumulative in year income vs budget	H		Paul Sutton														Quarterly	M	CS	
	4.6 % Agreed internal audit recommendations completed on time	H		Paul Sutton														Quarterly	M	CS	
	4.7 % of invoices paid within 30 days	H		Paul Sutton														Monthly	M	CS	
	4.8 % IT helpdesk calls completed within service standard	H	Clr Mike Kerford Byrnes Clr Phil Bignell	Claire Taylor	AD: CS&IT														Monthly	M	Joint
	4.9 Late committee reports (% of all reports due)	L		Paul Sutton															Quarterly	M	CS
5 Public Value																					
5.1	% Incoming calls answered within 30 secs (CSC)	H	Clr George Reynolds Cllr Karen Cooper	Claire Taylor	AD: CS&IT													Monthly	M	Joint	
5.2	% Incoming calls abandoned (CSC)	L	Clr George Reynolds Cllr Karen Cooper	Claire Taylor	AD: CS&IT													Monthly	M	Joint	
5.3	% Customer satisfaction with Council services(survey)	H	Clr Richard Mould Clr Karen Cooper	Claire Taylor	AD: P&T													Annually	M	Joint	
5.4	% Customer satisfaction (temp check)	H	Clr Richard Mould Clr Karen Cooper	Claire Taylor	AD: P&T													Quarterly	M	Joint	
5.5	% enquiries resolved at first point of contact	H	Clr George Reynolds Cllr Karen Cooper	Claire Taylor	AD: CS&IT													Monthly	M	Joint	
5.6	% Correct amount of housing benefit paid to customer	H		Paul Sutton														Monthly	M	CS	
5.7	% Transactions available on line	H	Clr Richard Mould Clr Phil Bignell	Claire Taylor	AD: CS&IT													Monthly	M	Joint	
5.8	% Customer complaints upheld	L	Clr Richard Mould Clr Phil Bignell	Claire Taylor	AD: P&T													Monthly	M	Joint	
6 Best Council to work for - NB: CT will revisit these KPI's																					
6.1	Staff sickness absence - days per employee, per annum (rolling 12 months)	L	Clr Barry Wood Clr Phil Bignell	Claire Taylor	Karen Edwards													Monthly	M	Joint	
6.2	Number of agency staff employed	L	Clr Barry Wood Clr Phil Bignell	Claire Taylor	Karen Edwards													Monthly	M	Joint	

This page is intentionally left blank

Cherwell District and South Northants Councils – Leadership Risk Register as at 17/01/18

Risk Scorecard – Residual Risks						
		Probability				
		1 - Remote	2 - Unlikely	3 - Possible	4 - Probable	5 - Highly Probable
Impact	5 - Catastrophic					
	4 - Major		L04			
	3 - Moderate		L03	L01, L02, L06, L08, L10	L05, L07	L09
	2 - Minor					
	1 - Insignificant					

Level of risk	How the risk should be managed
High Risk (16-25)	Requires active management to manage down and maintain the exposure at an acceptable level. Escalate upwards.
Medium Risk (10 -15)	Contingency Plans - a robust contingency plan may suffice together with early warning mechanisms to detect any deviation from the profile.
Low Risk (1 – 9)	Good Housekeeping - may require some risk mitigation to reduce the likelihood if this can be done cost effectively, but good housekeeping to ensure that the impact remains low should be adequate. Re-assess frequently to ensure conditions remain the same.

Risk Definition	
Strategic	Risks that are significant in size and duration, and will impact on the reputation and performance of the Council as a whole, and in particular, on its ability to deliver on its strategic priorities
Operational	Risks to corporate systems or processes that underpin the organisation’s overall governance, operation and ability to deliver services

Ref	Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment (Fully effective) (Partially effective) (Not effective)	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating					Probability	Impact	Rating				
L01	Financial resilience – Failure to react to external financial shocks, new policy and increased service demand. Poor investment and asset management decisions.	<ul style="list-style-type: none"> Reduced medium and long term financial viability Reduction in services to customers Continued reliance on central govt (RSG) and therefore reduced opportunity for independent decision making Reduced financial returns (or losses) on investments/assets Inability to deliver financial efficiencies Inability to deliver commercial objectives (increased income) Poor customer service and satisfaction Increased complexity in governance arrangements Lack of officer capacity to meet service demand 	4	4	16	<ul style="list-style-type: none"> Medium Term Revenue Plan reported regularly to members. Efficiency plan in place and balanced medium term Highly professional, competent, qualified staff Good networks established locally, regionally and nationally National guidance interpreting legislation available and used regularly Members aware and are briefed regularly Participate in Northamptonshire Finance Officers and Oxfordshire Treasurers' Association's work streams Programme management approach being taken Treasury management policies in place Investment strategies in place Regular financial and performance monitoring in place Independent third party advisers in place Regular bulletins and advice received from advisers Property portfolio income monitored through financial management arrangements on a regular basis Asset Management Strategy in place and embedded. Transformation Programme in place to deliver efficiencies and increased income in the future 	Fully Fully Partially Fully Partially Partially Fully Partially Fully Partially Partially Fully Partially Partially	Paul Sutton	AD Finance & Proc	3	3	9	<ul style="list-style-type: none"> AD Finance and Governance to be recruited asap. Investment strategy for both authorities to be approved in 18/19 budget cycle. Timeliness and quality of budget monitoring particularly property income and capital to be improved. Project with Civica is ongoing. Asset Management Strategy to be reviewed and refreshed in the new year. 			

Ref	Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment (Fully effective) (Partially effective) (Not effective)	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating					Probability	Impact	Rating				
L02	Statutory functions – Failure to meet statutory obligations and policy and legislative changes are not anticipated or planned for.	<ul style="list-style-type: none"> Legal challenge Loss of opportunity to influence national policy/legislation Financial penalties Reduced service to customers 	3	4	12	<ul style="list-style-type: none"> Embedded system of legislation and policy tracking In place, with clear accountabilities, reviewed regularly by Directors Clear accountability for responding to consultations with defined process to ensure Member engagement National guidance interpreting legislation available and used regularly Risks and issues associated with Statutory functions incorporated into Directorate Risk Registers and regularly reviewed Clear accountability for horizon scanning, risk identification/categorisation/escalation and policy interpretation in place Robust Committee forward plans to allow member oversight of policy issues and risk management, including Scrutiny and Audit Internal Audit Plan risk based to provide necessary assurances Strong networks established locally, regionally and nationally to ensure influence on policy issues Senior Members aware and briefed regularly in 1:1s by Directors 	Yvonne Rees	Richard Ellis	3	3	9	•	<ul style="list-style-type: none"> Establish corporate repository and accountability for policy/legislative changes Review Directorate/Service risk registers Ensure Committee forward plans are reviewed regularly at CEDR level Ensure Internal Audit plan focusses on key leadership risks Develop stakeholder map, with Director responsibility allocated for managing key relationships Standardise agendas for Director/PFH 1:1s 			
																Partially
L03	Lack of Management Capacity - Delays to completing the management restructure reduces capacity at management level	<ul style="list-style-type: none"> Financial impact due to use of agency staff Inability to deliver council's plans Inability to realise commercial opportunities or efficiencies Reduced resilience and business continuity Reduced staff morale and uncertainty may lead to loss of good people 	3	4	12	<ul style="list-style-type: none"> Rigorous and aggressive assessment and recruitment timetable for senior management roles Arrangements in place to source appropriate interim resource if needed Delegations to Chief Exec agreed to ensure timely decisions HR/Specialist resource in place to support recruitment process and manage implications Ongoing programme of internal communication 	Yvonne Rees	Richard Ellis	2	3	6	•	<ul style="list-style-type: none"> Discussions with Penna to ensure rapid response should interim resource be required AD HR/OD briefed and leading the process Communications to be delivered by CEO 			

Ref	Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment (Fully effective) (Partially effective) (Not effective)	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating					Probability	Impact	Rating				
L04	CDC & SNC Local Plans - Failure to ensure sound local plans are submitted on time for each District.	<ul style="list-style-type: none"> Inappropriate growth in inappropriate places Negative (or failure to optimise) economic, social, community and environmental gain Negative impact on each council's ability to deliver its strategic objectives Increased costs in planning appeals Possible financial penalties through not delivering forecasted New Homes Bonus 	3	5	15	<ul style="list-style-type: none"> Local Development Schemes are in place at each Council which detail the timeframes and deliverables to underpin the work Resources are in place to support delivery including QC support for each Local Plan. For issues which are solely within the control of SNC or CDC policies, plans and resources are in place Work is at Reg 19 on Cherwell Partial Review, preparing submission plan for Feb 2018 sign off and to re-commence in 2018 on Local Plan part 2. Work is advancing to Reg 19 stage On South Northants Local Plan part 2 on issues for reps, policies and development control policies. Statements of Community Involvement are in place. 	Fully Partially Partially Fully Fully Fully	Adrian Colwell	Andy Darcy (SNC) David Peckford (CDC)	2	4	8	•	<ul style="list-style-type: none"> Regular review meetings on progress and critical path review at each Council Regular Portfolio briefings and political review LDS updated as required Additional evidence commissioned as required Need to review resources at CDC to speed up Local Plan part 2. 		
L05	Business Continuity - Failure to ensure that critical services can be maintained in the event of an incident	<ul style="list-style-type: none"> Inability to deliver key services to customers/residents Financial loss 	4	4	16	<ul style="list-style-type: none"> Business continuity strategy in place Services prioritised and recovery plans reflect the requirements of critical services ICT disaster recovery arrangements in place Incident management team identified in Business Continuity Strategy All services undertake annual business impact assessments and update plans 	Partially Partially Partially Partially Partially	Ian Davies	Jackie Fitzsimons	4	3	12	•	<ul style="list-style-type: none"> All individual service BC plans recently updated Corporate BC to be reviewed Testing to be programmed BC solutions between both councils to be further developed Corporate ownership and governance to sit at CEDR 		

Ref	Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment (Fully effective) (Partially effective) (Not effective)	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating					Probability	Impact	Rating				
L06	Partnering - Failure to build the necessary partnership relationships to deliver our strategic plan. Failure to ensure the necessary governance of third party relationships (council businesses, partners, suppliers)	<ul style="list-style-type: none"> Poor service delivery Inability to deliver council's plans and outcomes for communities Legal challenge Financial loss Inability to partner in the future Reduced opportunity for inward investment in the future 	4	4	16	<ul style="list-style-type: none"> Stakeholder Map, allocating responsibility for key relationships at Director/PFH level Regular review and sharing of partnership activity/engagement at CEDR/BPM meetings Robust governance/contract management framework in place for key third party relationships Training and development of senior officers/members to fulfil their responsibilities with partner organisations 	Not Partially Partially Partially	Yvonne Rees	Richard Ellis	3	3	9	•	<ul style="list-style-type: none"> Develop stakeholder Map Standard agenda item at CEDR Develop governance guidelines for all key third party relationships Review existing arrangements/ contracts to ensure appropriate governance 		
L07	Emergency Planning (EP) - Failure to ensure that the local authority has plans in place to respond appropriately to a civil emergency fulfilling its duty as a category one responder	<ul style="list-style-type: none"> Inability of council to respond effectively to an emergency Unnecessary hardship to residents and/or communities Risk to human welfare and the environment Legal challenge Potential financial loss through compensation claims Ineffective Cat 1 partnership relationships 	4	4	16	<ul style="list-style-type: none"> Emergency plan reviewed quarterly and on activation Dedicated Emergency Planning Officer in post to review, test and exercise plan and to establish, monitor and ensure all elements are covered Added resilience from cover between shared Public Protection Team as officers with appropriate skill JMT regularly attend Civil Emergency training Twice yearly mock emergency exercises conducted to ensure readiness On-call rota established for Duty Emergency Response Co-ordinators (JMT) Full participation in LRF activities 	Partially Fully Fully Partially Partially Partially Not	Ian Davies	Jackie Fitzsimons	4	3	12	•	<ul style="list-style-type: none"> To be updated when new management structure is in place New call out arrangements to be established New annual training regime for GS&B officers to be set up Training monitoring to be developed through new HR/Payroll system Member training for disaster recovery and comms 		

Ref	Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment (Fully effective) (Partially effective) (Not effective)	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating					Probability	Impact	Rating				
L08	Health and safety - Failure to comply with health and safety legislation, corporate H&S policies and corporate H&S landlord responsibilities	<ul style="list-style-type: none"> Fatality, serious injury & ill health to employees or members of the public Criminal prosecution for failings Financial loss due to compensation claims Enforcement action – cost of regulator (HSE) time Increased sickness absence Increased agency costs Reduction in capacity impacts service delivery 	4	5	20	<ul style="list-style-type: none"> Robust Health & Safety policies and Corporate H&S arrangements in place as part of an Integrated H&S Management System Clearly identified accountability and responsibilities for Health and Safety established at all levels throughout the organisation Corporate H&S Manager & H&S Officer in post to maintain the H&S Management System & provide competent H&S advice & assistance to managers & employees Directorate Health & Safety Improvement Plans established with embedded reporting and recording arrangements in place Proactive monitoring of Health & Safety performance management internally Proactive monitoring of Health & Safety performance management externally Effective training regime in place for all staff Positive Health & Safety risk aware culture Corporate Health & Safety meeting structure in place for co-ordination and consultation Corporate body & Member overview of Health & Safety performance via appropriate committee Assurance that third party organisations subscribe to and follow Council Health & Safety guidelines and are performance managed where required 	Partially Not Fully Not Partially Fully Partially Partially Fully Fully Partially	Paul Sutton	Mark Wills	3	3	9	<ul style="list-style-type: none"> Corporate H&S Policy to be developed & implemented across the organisation to ensure that roles & responsibilities at all levels are discharged effectively. Policy to be developed following restructure. Update key Corporate H&S arrangements which are out-of-date. Directorate H&S Improvement Plans to be produced Expand scope of internal audits to cover all elements of the H&S Management System Management of H&S training programme to be developed and rolled out. Robust training already in place in Environmental Services Good awareness in higher risk areas of the business, e.g. Environmental Services. However other areas need improved awareness of risk assessment process Reviews of leases and performance monitoring to be reviewed to satisfy the Councils providers/ contractors are managing significant risks. 	<p>OHSAS 18001 Health & Safety Management System accreditation achieved through Exova BM Trada. Annual surveillance visits undertaken to supplement main accreditation visits.</p> <p>CEDR Meeting receives quarterly updates from Corporate H&S Manager. Relevant updates taken to appropriate committee.</p>		

Ref	Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment (Fully effective) (Partially effective) (Not effective)	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating					Probability	Impact	Rating				
L09	Cyber Security - If there is insufficient security with regards to the data held and IT systems used by the councils and insufficient protection against malicious attacks on council's systems then there is a risk of: a data breach, a loss of service, cyber-ransom.	<ul style="list-style-type: none"> Service disruption Financial loss / fine Prosecution – penalties imposed Individuals could be placed at risk of harm Reduced capability to deliver customer facing services Unlawful disclosure of sensitive information Inability to share services or work with partners Loss of reputation 	4	5	20	<ul style="list-style-type: none"> File and Data encryption on computer devices Managing access permissions and privileged users through AD and individual applications Consistent approach to information and data management and security across the councils Effective information management and security training and awareness programme for staff Password security controls in place Robust information and data related incident management procedures in place Appropriate robust contractual arrangements in place with all third parties that supply systems or data processing services Appropriate plans in place to ensure ongoing PSN compliance Adequate preventative measures in place to mitigate insider threat, including physical and system security Insider threat mitigated through recruitment and line management processes 	<p>Fully</p> <p>Fully</p> <p>Partially</p> <p>Partially</p> <p>Fully</p> <p>Partially</p> <p>Partially</p> <p>Fully</p> <p>Partially</p> <p>Partially</p>	Claire Taylor	Tim Spiers	3	5	15	<ul style="list-style-type: none"> We are working with a security company to review our cyber security status and achieve the cyber essentials + accreditation This work is underway and the outcomes are expected in February 2018 This will provide an action plan against any control issues identified Cyber-security was reviewed by Internal Audit in May 2017 and will be reviewed again in April 2018. HR also have actions to complete regarding recruitment and processes identified by Internal Audit. The IT Transformation Programme includes migrating server rooms to external data centre which will increase physical security. As part of this work improved monitoring solutions will also be implemented. The Councils will also be completing the annual independent IT security health check in quarter 1 2018. 	Cyber security incidents are inevitable. The only way to manage this risk is to have effective controls and mitigations in place including audit and review.		

Ref	Description of risk	Potential impact	Inherent (gross) risk level (no Controls)			Controls	Control assessment (Fully effective) (Partially effective) (Not effective)	Risk owner	Risk manager	Residual risk level (after existing controls)			Direct'n of travel	Mitigating actions (to address control issues)	Comments	Last updated
			Probability	Impact	Rating					Probability	Impact	Rating				
L10	Safeguarding the vulnerable (adults and children) - Failure to follow our policies and procedures in relation to safeguarding vulnerable adults and children or raising concerns about their welfare	<ul style="list-style-type: none"> Increased harm and distress caused to vulnerable individuals and their families Council could face criminal prosecution Criminal investigations potentially compromised Potential financial liability if council deemed to be negligent 	3	4	12	<ul style="list-style-type: none"> Safeguarding lead in place and clear lines of responsibility established Safeguarding Policy and procedures in place Information on the intranet on how to escalate a concern Staff training - new whole staff shared approach being launched in the summer Safer recruitment practices and DBS checks for staff with direct contact Action plan developed by CSE Prevention group as part of the Community Safety Partnership Local Safeguarding Children's Board Northamptonshire (LSCBN) pathways and thresholds Data sharing agreement with other partners Attendance at Children and Young People Partnership Board (CYPPB) Annual Section 11 return complied for each council Engagement with Joint Agency Tasking and Co-ordinating Group (JATAC) and relevant Oxfordshire County Council (OCC) safeguarding sub group Engagement at an operational and tactical level with relevant external agencies and networks 	<p>Fully</p> <p>Fully</p> <p>Partially</p> <p>Partially</p> <p>Partially</p> <p>Partially</p> <p>Fully</p> <p>Partially</p> <p>Fully</p> <p>Fully</p> <p>Fully</p> <p>Partially</p>	Ian Davies	Nicola Riley	3	3	9	<ul style="list-style-type: none"> Ongoing internal awareness campaigns Ongoing external awareness campaigns Annual refresher and new training programmes Training monitoring to be developed through new HR/Payroll system 			

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

Date	Agenda Items
30 January	Corporate Strategy, Revenue and Capital Budget 2018/19 (Incl. MTFS)
27 February	Q3 Performance, Risk and Budget Monitoring Q3 Business Rates Monitoring Q3 Write Offs

This page is intentionally left blank