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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 24 July 2018 at 6.30 pm

Present: Councillor Nicholas Mawer (Chairman)
Councillor Carmen Griffiths (Vice-Chairman)

Councillor David Hughes
Councillor Andrew McHugh
Councillor Tony Mepham
Councillor Barry Richards
Councillor Alaric Rose
Councillor Tom Wallis
Councillor Douglas Webb
Councillor Lucinda Wing
Councillor Sean Woodcock

Apologies for absence: Councillor Phil Chapman

Officers: Adele Taylor, Interim Executive Director: Finance and Governance
Kelly Watson, Assistant Director: Finance and Procurement
Belinda Green, Operations Director - CSN Resources
Mandy Emery, Joint Benefits Team Leader
Emma Faulkner, Democratic and Elections Officer

3 **Declarations of Interest**

There were no declarations of interest.

4 **Urgent Business**

There were no items of urgent business.

5 **Minutes**

The minutes of the meetings of the Committee held on 27 February and 15 May 2018 were confirmed as correct records and signed by the Chairman.

6 **Chairman's Announcements**

There were no Chairman's announcements.

7 **2017-2018 Outturn Report CDC**

The Committee considered a report from the Assistant Director – Finance and Procurement which detailed the Revenue and Capital Outturn for the 2017-2018 financial year.

The Assistant Director – Finance and Procurement explained that the report was the culmination of the last financial year, and future reports would be more timely.

The Chairman of the Committee explained that he had been speaking with the Interim Executive Director – Finance and Governance regarding an additional meeting of the Committee, to go through the capital schemes which had been subject to slippage. A number of projects had appeared on the slippage list for more than one financial year, and the Chairman felt it would be appropriate for more detailed questions to be asked of relevant officers before the next budget setting process for the next financial year.

Resolved

- (1) That the outturn figures for the General Fund and the Capital Programme 2017/18 be noted
- (2) That the approved items of capital re-profiling (annexe 1 to the Minutes as set out in the Minute book), that had been approved under financial procedure rule 2.4.6 (b) be noted
- (3) That the reserves position (annexe 2 to the Minutes as set out in the Minute book) be noted

8 **Performance Finance and Risk Report - May 2018 (CDC)**

The Committee considered a report from the Assistant Director Finance and Procurement that detailed the Council's performance, risk and monitoring position as at the end of May 2018.

The Assistant Director Finance and Procurement explained that performance information was now being submitted to Executive monthly, in order to give a more timely report of performance across the Council. This meant that other Committees considering the information would also receive it more quickly than in previous years.

In response to questions from the Committee regarding the current overspend in relation to interim staff, the Assistant Director – Finance and Procurement explained that the use of interim staff had been a short term measure for immediate cover before permanent staff were recruited. However, the change in shared working arrangements with South Northamptonshire Council had meant that some arrangements would be for a longer period.

With regard to the below target performance of business rates collection, with 92.31% collected against a 98.5% target, the Operations Director – CSN resources explained that a combination of factors including a system change

and last minute schedules from the Valuation Office Agency meant it had been a challenging 12 months. Collection rates for 2018-2019 were currently on track and it was also hoped that some of the deficit could be collected.

In response to questions regarding the increase in unemployment rates and the actual numbers involved, the Interim Executive Director Finance and Governance agreed to forward the question to the relevant Assistant Director for a response.

Resolved

- (1) That the report be noted

9 Council Tax Reduction Scheme 2019-2020

The Committee considered a report from the Interim Executive Director Finance and Governance which provided options for consideration for the Council Tax Reduction Scheme for 2019-2020.

The Operations Director – CSN Resources explained that advice had been taken from the legal team, and in the event that the Council wished to propose no change to the existing scheme, no consultation would be required.

It was proposed by Councillor Barry Richards and seconded by Councillor Andrew McHugh that Option 1 – no change to the current local Council Tax Reduction scheme or Council Tax discounts and uprating the Council Tax Regulations in line with Department for Work and Pensions annual uprating be recommended to Executive for consideration for the Council Tax Reduction Scheme for 2019-2020.

Resolved

- (1) That the contents of the report and the financial implications for the Council be noted
- (2) That Option 1 – no change to the current local Council Tax Reduction scheme or Council Tax discounts and uprating the Council Tax Regulations in line with Department for Work and Pensions annual uprating be recommended to Executive for consideration for the Council Tax Reduction Scheme for 2019-2020
- (3) That Executive be recommended not to undertake consultation, in light of there being no proposed change to the Council Tax Reduction Scheme for 2019-2020

10 Review of Committee Work Plan

The Committee considered the draft work programme for 2018-2019.

As had been discussed earlier in the meeting, an additional informal meeting of the Committee would be arranged during October, to allow for updates to

be given in relation to the capital programme items, before the new capital bids were considered later in the year.

With regard to the recent loan to Silverstone Heritage, the Interim Executive Director – Finance and Governance agreed to the Committee's request to add monitoring of the loan to the work programme.

Resolved

- (1) That subject to inclusion of monitoring of the loan to Silverstone Heritage, and an informal update meeting relating to Capital projects, the work programme for 2018/19 be approved

11 **Exclusion of Press and public**

Resolved

- (1) 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 grounds that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part I, 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.

12 **Medium Term Financial Strategy Presentation**

The Interim Executive Director Finance and Governance gave an exempt presentation regarding the Medium Term Finance Strategy.

The presentation covered the different aspects of the budget, and the proposed timescale for setting the 2019-2020 budget.

The Committee asked detailed questions on all aspects of the budget, which were duly answered by officers.

Resolved

- (1) That the exempt presentation be noted

The meeting ended at 8.35 pm

Chairman:

Date:

CHERWELL CAPITAL EXPENDITURE 2017/18

DESCRIPTION	BUDGET £000	ACTUAL £000	RE- PROFILED £000	VARIANCE £000	OUTTURN NARRATIVE
Community Centre Refurbishments	84	0	84	0	This budget re-profiled for the Hill Youth Centre fit out.
Wellbeing - Communities	84	0	84	0	
Biomass Heating Bicester Leisure Centre	14	0	14	0	This budget is re-profiled into 18/19 to cover health and safety changes requested by the new maintenance contractor.
Whitelands Farm Sports ground	3,638	3,613	25	0	This project is now nearing final account and is on budget. Final costs to be paid in 18/19.
Solar Photovoltaics at Sports Centre	80	0	80	0	This budget is for the replacement of the invertors as they incur. This is an unknown factor but anticipated as they have a limited lifespan. This budget needs to be re-profiled to cover the costs for replacement. To be placed into a reserve to be drawn down when necessary.
Football Development Plan in Banbury	20	0	20	0	Consultancy fees of £20k to be spent in 18/19. Project commenced in Q4 17/18
North Oxfordshire Academy Astro turf	490	283	207	0	Remaining costs including £150k for the 3G pitch will be re-profiled slip into 18/19.
Stratfield Brake Repair Works	22	10	12	0	Invoice not yet received. Re-profiled into 18/19.
Sports Centre Modernisation Programme	86	50	36	0	Re-profiled amount required for Woodgreen dilapidations.
Bicester Leisure Centre Extension	149	27	122	0	Feasibility studies have been delayed by the Sports Studies which will capture the facility deficiencies. Some early preparing works completed. This remaining budget needs to be re-profiled into 18/19.
Spiceball Leis Centre Bridge Resurfacing	30	0	30	0	Works to be determined post completion of formation of new bridge connection in 2018, as part of the CQ2 project. As a consequence, capital to be re-profiled into 2018/19.
Corporate Booking System	60	0	60	0	Budget to be transferred to 2018 and used for Digital Customer Portal project being initiated in Q1 2018
Woodgreen - Condition Survey Works	9	7	2	0	Ongoing project. Actuals to date in relation to rendering work at Woodgreen Leisure Centre.
Bicester Leisure Centre - Access Road Improvements	33	0	33	0	Works now complete awaiting invoice from OCC in 18/19.
Cooper School Performance Hall - Roof, Floor & Seating	136	98	38	0	Works to roof now completed, however works to the floor and seating has been delayed until summer 2018 as the school did not receive enough funding in 17/18.
North Oxfordshire Academy - Replacement Floodlights	95	75	20	0	Works now completed; invoices outstanding
North Oxfordshire Academy - Sports Pavilion Improvements	20	14	6	0	Some work already completed to complete in early 18/19.
Wellbeing - Leisure and Sport	4,882	4,177	705	0	
Empty Homes Work-in-Default Recoverable	100	0	100	0	This needs to remain at £100k per annum. Any unspent budget is to be re-profiled and topped up to £100k
Disabled Facilities Grants	1,798	815	983	0	Re-profile £983k to continue to implement proposals in 2018-19.
Discretionary Grants Domestic Properties	615	210	64	(341)	Commitments required of £64k in 2018/19. Therefore balance of can be returned to reserves.
Wellbeing - Housing	2,513	1,025	1,147	(341)	
Wellbeing Total	7,479	5,202	1,936	(341)	
East West Railways	870	0	870	0	There is a 5yr schedule of capital contributions to 2019/20, which have not yet been requested re-profile required.
Bicester Community Building	239	371	0	132	Franklins House completed several years ago but residual budget was retained for the downstairs units and the second floor. Exec approved the transformation of the ground floor units into Perch Coworking. The Perch project is within budget, but the Franklins House budget remains overspent overall due to construction delays.
Graven Hill - Loans and Equity	19,621	21,415	0	1,794	The Company has drawn down more in 17/18 than originally expected due revised business and delivery plan. This is within agreed overall project funding. This will have the effect of increasing the interest payable to the council and is all fully returned to the Council during the life of the project.

DESCRIPTION	BUDGET £000	ACTUAL £000	RE- PROFILED £000	VARIANCE £000	OUTTURN NARRATIVE
NW Bicester Eco Business Centre	4,301	2,065	2,236	0	The building construction is on budget and on target for completion in Summer 2018.
Build Programme Phase 1	9,754	8,572	1,182	(0)	All phase 1 properties will be complete by the end of the first quarter of 18/19. The total council investment (including previous years) in phase 1 is expected to be £15.4m which is an improvement on the budgeted investment of £16.7m. This is mainly due to improved sales values and percentages on shared ownership properties. Phase 1b and 2 have been incorporated into the 18/19 budget.
The Hill Youth Community Centre	989	0	989	0	A tender process is currently underway. Project expected to start during Q2 18/19.
Place & Growth - Economy & Regeneration	35,774	32,423	5,277	1,926	
Place & Growth Total	35,774	32,423	5,277	1,926	
Car Park Refurbishments	650	183	467	0	CDC car parks are now outsourced under a new management contract with APCOA. Executive agreed to fund the capital set up costs for the new equipment required in the car parks. It is expected that the budget will be fully utilised but any underspend will need to be re-profiled for replacement equipment in the future.
Energy Efficiency Projects	28	0	28	0	Estimate of order for electric vehicle charging points within Q1 of 2018/19.
Glass Bank Recycling Scheme	0	0	8	8	Should have a budget of £8k, to be re-profiled into 2018/19.
Off Road Parking Facilities	18	0	18	0	Project has been delayed due to awaiting decisions on planning. Full £18k to be re-profiled in to 18/19
Vehicle Replacement Programme	1,087	983	104	0	Rolling replacement programme, re-profiling required.
Wheeled Bin Replacement Scheme	170	45	125	0	Rolling replacement programme, re-profiling required.
Urban Centre Electricity Installations	30	15	15	0	Project delayed due to concentration of team on new grounds maintenance contract. Any remaining budget to be re-profiled.
Bicester Cattle Market Car Park Phase 2	90	0	90	0	Project to commence in Q1 18/19.
Environment - Environment	2,073	1,226	855	8	
CCTV Equipment	25	25		0	Completed.
Environment - Environmental Health & Licensing	25	25	0	0	
Environment Total	2,098	1,251	855	8	
Financial System Upgrade	0	10	0	10	Consultant engaged to review Civica functionality
Finance & Governance - Finance & Procurement	0	10	0	10	
Condition Survey Works	101	24	77	0	Works to be outsourced to specialist consultants (not SMBC). Aim to complete by August 2018, re-profile required.
Bradley Arcade Roof Repairs	88	3	85	0	Works planned and on schedule. Works at tender stage, order to be raised mid May 2018. Completion by August 2018.
Orchard Way Shopping Arcade Front Serv	310	290	20	0	Works are complete via Solihull Partnership, awaiting final payment to be made will take place in Q1 18/19.
Bicester Town Centre Redevelopment	(0)	130		130	Pioneer Square costs regarding defect issues. Some costs will be recovered as part of the ongoing legal challenge but amount is unknown at present. Capital project to be closed
Kidlington High Street Pedestrianisation	375	0		(375)	Monies to be returned to reserves.
Thorpe Lane Depot - CCTV Replacement	25	0		(25)	Works completed. Budget not needed, cost covered with other CCTV project.
Banbury Museum - Refurbishment Programme	38	3		(35)	Work completed via Solihull Partnership. Scheme can be closed
Community Buildings - Remedial Works	150	0	150	0	Planned work being prepared, scope finalised, order being raised in Q1 18/19 - Aim to be completed by August 2018.
Car Parks Resurfacing	(0)	3		3	Work completed via Solihull Partnership. Project closed.
Spiceball Riverbank Reinstatement	50	0	50	0	On hold pending CQ2
Bolton Road	74	102		28	Commitment relates to the Armac Group for Retention monies (CDC002158). Completed
Banbury - Antelope Garage	2,360	2,464		104	Project complete. Stamp duty higher than anticipated.

DESCRIPTION	BUDGET £000	ACTUAL £000	RE- PROFILED £000	VARIANCE £000	OUTTURN NARRATIVE
Banbury Health Centre - Refurbishment of Ventilation, Heating & Cooling Systems	270	0	270	0	Property usage under review, existing tenant may terminate lease. Budget to be re-profiled pending outcome, review in Q2/Q3 2018/19
Thorpe Way Industrial estate - Roof & Roof Lights	100	36	64	0	Phase 2 will commence 18/19, any unspent budget to be re-profiled.
Academy Harmonisation	200	81	119	0	Further modules to be added in 18/19. Re-profile required.
Castle Quay 1 and 2	68,500	61,150	0	(7,350)	Actual spend was less than the approved budget. Budget can be released as any future work on CQ1 expected to be funded by rental receipts and other funding.
Franklins House - Travelodge	1,200	417	783	0	As approved by Council. The project is on budget. The £1.2m represent the full budget and so the balance needs to be re-profiled into 18/19.
Bicester - Pioneer Square	135		135	0	Original budget of £135k, spend to take place in Q1 18/19.
Finance & Governance - Property, Investment & Contract Management	73,976	64,703	1,753	(7,520)	
Finance & Governance Total	73,976	64,713	1,753	(7,510)	
Customer Self-Service Portal CRM Solutn	80	0	80	0	Budget to be re-profiled to 18/19 and used for Digital Customer Portal project being initiated in Q1 2018/19
IT Strategy Review	139	0	139	0	Budget to be re-profiled to 18/19 for IT Transformation programme as agreed.
ESXI PROD copy fwd. planning IT hardware	0	13		13	Iclipse upgrade
Land & Property Harmonisation	83	0	83	0	Budget to be re-profiled to 18/19 for IT Transformation programme as agreed.
5 Year Rolling HW / SW Replacement Prog	0	0		0	Budget to be re-profiled to 18/19 for Data Centre project as agreed.
Business Systems Harmonisation Programme	29	0	29	0	Budget to be re-profiled to 18/19 for Business Tools harmonisation project planned for Q1 & Q2 2018.
Upgrade Uninterrupted Pwr Supp Back up / Datacentre	387	272	115	0	Budget to be re-profiled to 18/19 for Data Centre project. Project planned for completion Q3 2018
Visualifies Replacement	11	11		0	Project complete.
Customers Service Devt - Customers & IT Services	729	296	446	13	
HR / Payroll System replacement	37	73		36	Project complete.
Customers & Service Devt - HR, OD & Payroll	37	73	0	36	
Customers & Service Development Total	766	369	446	49	
Capital Total	120,093	103,958	10,267	(5,868)	£5,868 under budget

Annex 2

Cherwell District Council Earmarked Reserves 2017/18

	Balance at 1 April 2016	Transfers In 2016/17	Transfers Out 2016/17	Balance at 31 March 2017	Transfers In 2017/18	Transfers Out 2017/18	Balance at 31 March 2018
	£000	£000	£000	£000	£000	£000	£000
General Fund Reserves:							
Earmarked General Fund Reserves	(14,433)	0	548	(13,885)	(5,186)	6,020	(13,051)
Earmarked Reserves Grants & Cont.	(3,820)	(543)	1,041	(3,322)	(434)	1,114	(2,642)
Total General Fund	(18,253)	(543)	1,589	(17,207)	(5,620)	7,134	(15,693)

Earmarked Reserves	Narrative	2017-18
General Fund:		£000
Building Control	For use on the Building Control service	(24)
Country Park Reserve	This reserve is used to fund major improvement works at the County Parks	(100)
Elections	The reserve has been set up to protect the council from standalone district elections which are now annual in all wards	(261)
Environmental Warranties	The reserve is in place to protect the council against potential asbestos claims in Sanctuary Homes	(1,000)
Hanwell Fields Open Space	This reserve has been created from S106 monies and will be used towards the cost of the maintenance on Hanwell Fields open space as required	(79)
Housing Reserve	The reserve is to be used to support the development of a Single Person's Housing Strategy including the development and management of single person's housing units in Cherwell	(114)
Work in Default reserve	This reserve has been set up to cover the cost of emergency enforcement as required	(100)
Joint External Bid-writer	This reserve is for assisting with the cost of an external bid writer	(8)
Licensing	This reserve is to be used to balance License Fee Income to ensure that the council operates on a cost recovery basis.	(129)
Local Plan Charges	The reserve has been created to fund the one-off costs associated with the provision of the Local Plan	(124)
NHB - Affordable Housing	The reserve has been created from New Homes Bonus grant income and will be used on the strategic housing projects	(855)
NHB - Economic Development	The reserve has been created from New Homes Bonus grant income and will be used to fund the costs of Economic Growth projects across the district	(4,678)
NHB - Superfast Broadband	The reserve has been created from New Homes Bonus grant income and will be used to fund the costs associated with the Better Broadband for Oxfordshire programme	(727)

Planning Control	This reserve will be used to fund the costs associated with major planning applications where the costs fall over more than one financial year	(259)
Corporate Projects	The reserve has been created to cover the costs of strategic projects across the council.	(63)
Retained Business Rates	This is a volatility reserve to protect the council against any large movements in business rates	(2,205)
Primary Authority	This reserve is to fund the commercial projects within public protection	(55)
Self Insurance	This reserve holds self-insurance for small items that are otherwise not insured.	(137)
Transformation and Commercial	This reserve will be used to cover the costs of transformation projects across the council.	(103)
VAT Deminimus	This reserve has been set up to protect the council against the risk of breaching the VAT deminimus level of 5%	(500)
Welfare Reform	The reserve is to fund potential repayments of overpaid benefit subsidy and to cover any potential costs associated with Welfare reform and Benefits	(99)
Contributions to Health Bus	The reserve is for potential costs associated with the Health Bus	(40)
Heat Network	The reserve is for funding the cost of Heat Network projects	(50)
Devolution Viability Work	The reserve will be used to fund the cost of work associated with reorganisation within Oxfordshire	(53)
Healthy New Towns	The reserve has been created to fund the cost of the Healthy New Towns initiative	(6)
Horton General Towns	The reserve will be used to fund the cost of the Horton Hospital review	(84)
Museum development	Museum development funding	(30)
Pensions Deficit	The council is building a reserve for funding future pension payments	(343)
Car Parks APCOA Consultants fees	Reserve for consultants fees	(15)
Art Development	Art development reserve	(80)
CCTV	Support CCTV provision	(26)
Broadfield Road Yarnton Sports	Reserve held for sports provision	(4)
Castle Quay	The reserve is to manage the volatility of income and for reinvestment into Castle Quay	(700)
Total Revenue Earmarked Reserves (General Fund)		(13,051)

Earmarked Reserves from Grants & Contributions		
Area Based Grant	This reserve supports the work in community consultation and engagement	(83)
Bicester Fields Main Park	The reserve has been generated from S106 monies and will be used as maintenance funds to be used on an ongoing basis	(97)

Brighter Futures - Skills Reward Grant	Projects for early years, employment support and skills, family support & young people, financial inclusion & housing, health & well-being, safer & stronger communities	(66)
Bicester Garden Town	The reserve is for initiatives and studies pertaining to the development of Bicester as a Garden Town	(955)
Bicester Youth Bus	Grants provided by the Police and Crime Commissioners to fund Community Safety Projects - Not to be spent without the permission of the Community Safety Partnership.	(65)
Courtyard Youth Arts	The reserve is used to fund projects at the Courtyard	(39)
Dovecote Milcombe	The reserve has been generated from S106 monies and will be used as maintenance funds to be used on an ongoing basis	(56)
Eco Town Revenue	The reserve is used to fund Eco Town project as monitored by Place Programme and Project Board	(30)
Flood Recovery Grant/Emergency Planning	The reserve has been created to cover the cost of emergency planning contingencies	(40)
Green Deal Pioneer Places	The reserve has been created from a ring fenced grant which is used on projects relating to the Government's Green Deal initiative	(67)
Home Improvement Agency	This reserve is for covering the costs of Home Improvement Agency Projects	(261)
Homelessness Prevention	The reserve has been created from ring fenced grant to be spent in conjunction with Service Level Agreements with partnerships in conjunction with Cherwell's Homeless Action Plan	(70)
New Burdens Grant	The reserve has been created from various government grants to fund any additional costs associated with administering new government initiatives	(248)
Performance Reward Grant ABG	This is CSP money that is not to be spent without the permission of the CSP.	(21)
Housing and Planning Initiatives	Required for future housing requirements and planning needs	(322)
PCC - Community Safety Grant	The reserve is created from ring-fenced grant to be spent on specific projects to be approved by the Community Safety Partnership	(64)
Thames Valley Police - this reserve is being used to fund CCTV replacement.	This reserve is being used to fund the cost of CCTV replacement.	(65)
Sportivate Grant	The reserve has been created from ring fenced grant received for Sportivate activities	(33)
Active Women Grant	The reserve has been created from ring fenced grant received for Active Women activities	(22)
Laburnham Cres Ambrosden	The reserve has been generated from S106 monies and will be used as maintenance funds to be used on an ongoing basis	(38)
Reserves - Grants & Contributions		(2,642)
Total Earmarked Reserves		(15,693)