

Committee: Budget Planning Committee
Date: Thursday 7 December 2017
Time: 6.30 pm
Venue: Bodicote House, Bodicote, Banbury, OX15 4AA

Membership

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

AGENDA

- 1. Apologies for Absence and Notification of Substitute Members**
- 2. Declarations of Interest**

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

- 3. Urgent Business**

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

- 4. Minutes**

Please note that the minutes are to follow as they are under review.

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. Business Rates Monitoring 2017-2018 (Pages 1 - 6)

Report of the Chief Finance Officer.

Purpose of report

To provide members of Budget Planning Committee with an update on the business rates position as at the end of Quarter 2 of the 2017-2018 financial year.

Recommendations

The meeting is recommended:

- 1.1 To note this report.

7. CDC Capital Bids 2018-2019 (Pages 7 - 10)

** The appendices to this report will follow as they are being reviewed and finalised
**

Report of the Chief Finance Officer.

Purpose of report

To review the current expenditure for projects in 2017/18 and the capital bids for 2018/19.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report relating to 2017/18 expenditure.
- 1.2 To recommend capital bids and the proposed capital programme for approval by Executive Committee as part of the budget for 2018/19.

8. Fees and Charges 2018-2019 (Pages 11 - 14)

** The appendices to this report will follow as they are being reviewed and finalised
**

Report of the Chief Finance Officer.

Purpose of report

To provide members of the Budget Planning Committee with an update on the Council's proposed fees and charges for 2018/19.

Recommendations

1.1 The meeting is recommended to note the contents of the report.

9. Review of Committee Work Plan (Pages 15 - 16)

To review the Committee Work Plan.

10. Exclusion of Press and Public

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

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

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

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

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

11. Medium Term Revenue Plan - 2017/18 to 2022/23 (Pages 17 - 20)

** The appendices to this report will follow as they are being reviewed and finalised
**

Exempt report of the Chief Finance Officer.

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

Information about this Meeting

Apologies for Absence

Apologies for absence should be notified to democracy@cherwellandsouthnorthants.gov.uk or 01295 221591 prior to the start of the meeting.

Declarations of Interest

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

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

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

Evacuation Procedure

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

Access to Meetings

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

Mobile Phones

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

Queries Regarding this Agenda

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

Yvonne Rees
Chief Executive

Published on Wednesday 29 November 2017

Cherwell District Council

Budget Planning Committee

7 December 2017

Business Rates Monitoring 2017-2018

Report of the Chief Finance Officer

This report is public

Purpose of report

To provide members of Budget Planning Committee with an update on the business rates position as at the end of Quarter 2 of the 2017-2018 financial year.

1.0 Recommendations

The meeting is recommended:

- 1.1 To note this report.

2.0 Introduction

- 2.1 The Business Rates Retention Scheme has been in place since April 2013. Under the scheme, Cherwell retains a proportion of business rates growth. In April 2017 a new Rating List was adopted whereby all businesses in the United Kingdom were revalued. For Cherwell this meant that the rateable value increased by 21.5% compared to the national average of 11%. As the government tries to make the impact of a new Rating List fiscally neutral, although the rateable values are higher the non-domestic rating income remained fairly constant.
- 2.2 The monitoring at the end of September 2017 shows the Non-Domestic Rating income, after allowing for accounting adjustments, to be 3% higher than the estimate provided in the NNDR1 return. This is a timing issue based on when properties are brought into the Rating List and does not impact on the General Fund in 2017-18. The table in 3.2 shows the major areas of growth and decline in the quarter. Table 2 in paragraph 3.7 shows the budget monitoring position and the impact on the General Fund for 2017-18 financial year.

3.0 Report Details

- 3.1 Business rates are a property tax based on the rateable value of each non-domestic property. Rateable values are determined by the Valuation Office Agency (VOA) and are mostly based on rental values. The rateable value for Cherwell District

Council at the start of the year on 1 April 2017 was 208,681,878 and at the end of Quarter 1 the rateable value was £210,285,685.

- 3.2 The rateable value for the authority has increased by £1,603,780 from April to June 2017. There are a number of increases and decreases making up this amount. The largest of these are outlined in the table below:

Table 1: Growth and Decline in the District for July to September 2017

Growth	Reason	Change in RV
Factory, Southam Road, Banbury	New properties	467,500
Bicester Technology Studio, Queens Avenue, Bicester	New properties	127,000
Show Houses , various locations	New properties	143,750
Unit at Chancerygate Business Centre, Kidlington	New properties	50,500
Unit at Pioneer Square	New properties	31,250
Various	Miscellaneous small movements in growth and decline	160,730
Major areas of Growth		980,730
Movement in Rateable Value for Quarter 2		980,730

Accounting for Business Rates

- 3.3 Billing authorities are required to complete a statutory return called the NNDR1 before the beginning of the financial year to forecast the amount of business rates income that they expect to charge businesses during the course of the year. From this, a number of allowable deductions will be made for a provision for appeals and losses in collection in order to arrive at a figure for its non-domestic rating income.
- 3.4 Once rateable value has been established by the VOA a multiplier is applied to turn it into an amount to be charged to businesses. At the end of Quarter 2, the non-domestic rating income, after applying the multiplier to the rateable value detailed in 3.1, and after allowing for the accounting adjustments, is £87,928,878. The non-domestic rating income collected is then apportioned between Central Government (50%), Cherwell District Council (40%) and Oxfordshire County Council (10%). A tariff is deducted and paid to Central Government. The remaining amount is then compared to the baseline funding figure (for Cherwell this is £3,566,292 for 2017-2018) and a levy of 50% is payable on the excess (any growth) to Central Government. The remainder stays with the Council.
- 3.5 As Cherwell is in a pool, we retain more business rates as the levy rate is 0.7% instead of 50% outside of the pool. In 2017-18, the North Oxfordshire Business Rates Pool consists of Cherwell District Council, West Oxfordshire District Council and Oxfordshire County Council. This combination of authorities results in a levy of 0.7%. Should other authorities join the Pool then the levy would be more than 0.7% and Cherwell would have to pay the levy to Central Government.

- 3.6 For the financial year 2017-18 Cherwell entered into a distribution agreement with the other Oxfordshire authorities under which Oxford City Council and South Oxfordshire District Council agreed to be omitted from the Pool of authorities whose business rates base would be used to maximise the potential funds available for distribution. Under this arrangement the levy remains at 0.7%, but Oxford City Council and South Oxfordshire District Council share in the risks and rewards of being in the Pool. .
- 3.7 The retained business rates income budgeted for in 2017-18, including the baseline funding of £3,566,292, is £6,922,000. At the end of September 2017 the retained business rates income, after allowing for accounting adjustment for provisions, is £6,635,114 which is £286,886 less than budgeted. This is detailed in the table 2 below:

Table 2: Budget monitoring 2017-18

	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Baseline funding	-3,566	-3,566	0
Retained Business Rates	-3,356	-3,069	287
2017-2018 impact on General Fund	-6,922	-6,635	287

- 3.8 The main reason for the adverse variance against budget, which will impact on the General Fund in 2017-18, is due to the pooling allocation. The pooling gain is allocated based on each authority's growth above the baseline. As both Oxford City and South Oxfordshire are currently reporting more growth at the end of September than budgeted, Cherwell's proportion of the pooling gain is therefore smaller than anticipated and has resulted in a forecast adverse variance against budget at the end of 2017-18 financial year. This will be monitored and reported throughout the financial year.
- 3.9 An earmarked reserve for business rates volatility was set up for this purpose; the current balance is £2,205,000 and this reserve can be used to fund the adverse variance of £287,000 in 2017-18.

Collection Fund Surplus/Deficit

- 3.10 The accounting arrangements for business rates mean that we account in year for the estimates as per the NNDR1. The difference between the estimate (NNDR1) and the actual at the end of the year (NNDR3) is the Collection Fund surplus or deficit. There is a timing delay between when this occurs and when it actually appears in the accounts as a surplus or deficit for the General Fund.

The current Collection Fund deficit at the end of September 2017 is forecast at £78,000, and the CDC proportion of this is £31,000. This position changes each month as the Rating List is updated by the Valuation Office Agency. The Collection Fund surplus or deficit will not impact on the General fund until 2018-19.

4.0 Conclusions and Reasons for Recommendations

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

5.0 Consultation

None.

6.0 Alternative Options and Reasons for Rejection

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

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

7.0 Implications

Financial and Resource Implications

7.1 These are contained within the report.

Comments checked by:

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

Legal Implications

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

Comments checked by:

Nigel Bell, Interim Legal Services Manager, 01295 221687
nigel.bell@cherwellandsouthnorthants.gov.uk

Risk Management

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

Comments checked by: Louise Tustian

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

louise.tustian@cherwellandsouthnorthants.gov.uk

Equality and Diversity

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

Comments checked by:

Caroline French, Business Transformation Project Officer 01295 221586

caroline.french@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

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

Lead Councillor

Councillor Tony Illot, Lead Member for Financial Management

Document Information

Appendix No	Title
None	
Report Author	Mandy Anderson, Financial Analyst
Contact Information	Mandy Anderson, Financial Analyst mandy.anderson@cherwellandsouthnorthants.gov.uk 01327 322233

This page is intentionally left blank

Cherwell District Council

Budget Planning Committee

7 December 2017

Review of Capital 2017/18 & Capital Bids 2018/19

Report of Chief Finance Officer

This report is public

Purpose of report

To review the current expenditure for projects in 2017/18 and the capital bids for 2018/19.

1 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report relating to 2017/18 expenditure.
- 1.2 To recommend capital bids and the proposed capital programme for approval by Executive as part of the budget for 2018/19.

2 Introduction

- 2.1 This Committee has the responsibility for monitoring revenue and capital expenditure but does not have the responsibility for approving carry forwards and capital slippage. This is delegated by Full Council to the Accounts, Audit and Risk Committee.
- 2.2 This Committee is asked to review the level of capital expenditure for 2017/18 and the proposed bids for 2018/19.

3 Capital Expenditure 2017/18

- 3.1 The level of expenditure by scheme is set out at Appendix 1. The table shows the Current Budget by scheme for 2017/18 with the slippage separated. The report also shows expenditure to date.

4 Capital Bids 2018/19

- 4.1 A list of capital bids is attached at Appendix 2 (to follow), together with the detailed bid appraisal forms.
- 4.2 A proposed capital programme for five years from 2018/19 is attached as Appendix 3 (to follow). This includes bids submitted for 2018/19 and 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

5 Conclusion and Reasons for Recommendations

- 5.1 Members are requested to note the content of this report, and recommend capital bids for approval by Executive Committee

6 Consultation

- 6.1 There is a requirement to consult on the draft capital budget and this consultation will take place as part of the budget setting process

7 Alternative Options and Reasons for Rejection

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

Option 1: To not approve the recommendations, this would delay approval of the Council's budget and capital programme.

8 Implications

Financial and Resource Implications

- 8.1 Details of the costs relating to the capital programme are contained in the report.

Comments checked by:

Sanjay Sharma, Interim Head of Finance, 01295 221564

sanjay.sharma@cherwellandsouthnorthants.gov.uk

Legal Implications

8.2 There are no direct legal implications from this report.

Comments checked by:

Richard Hawtin, Team Leader – Non Contentious. 01295 221695

richard.Hawtin@cherwellandsouthnorthants.gov.uk

Risk Management

8.3 The project risks are identified on each capital appraisal form, and any implications of not undertaking the project are shown.

Comments checked by:

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

louise.tustian@cherwellandsouthnorthants.gov.uk

Equality and Diversity

8.4 Impact assessments will be carried out for each project as required.

Comments checked by:

Caroline French, Corporate Policy & Project Officer, 01295 221586

caroline.french@cherwellandsouthnorthants.gov.uk

9 Decision Information

Key Decision

Financial Threshold Met: Not applicable

Community Impact Threshold Met: Not applicable

Wards Affected All

Links to Corporate Plan and Policy Framework

This links to the Council's priority of Sound Budgets and a Customer Focussed Council. Links for individual projects are included in section 9 of each appraisal form.

Lead Councillor

Councillor Tony Ilott, Lead Member for Financial Management.

Document Information

Appendix No	Title
Appendix 1	Capital Projects Monitoring 2017/18 (to follow)
Appendix 2	Capital Bids for 2018/19 (to follow)
Appendix 3	Proposed Capital Programme 2018/19 (to follow)
Background Papers	
None	
Report Author	Paul Sutton, Chief Finance Officer
Contact Information	Paul Sutton: 0300 003 0106 paul.sutton@cherwellandsouthnorthants.gov.uk

Cherwell District Council

Budget Planning Committee

7 December 2017

Fees and Charges 2018/19 - Update
--

Report of the Chief Finance Officer

This report is public

Purpose of report

To provide members of the Budget Planning Committee with an update on the Council's proposed fees and charges for 2018/19.

1.0 Recommendations

1.1 The meeting is recommended to note the contents of the report.

2.0 Introduction

2.1 This Committee has the responsibility of recommending a budget for consideration to Executive and fees and charges are a fundamental part of the process to develop the budget each year.

2.2 The purpose of this report is to provide the latest position on fees and charges, but it should be noted that this process is not yet completed and work is continuing on fees and charges. A further report showing the final position will be included with the final budget proposals.

3.0 Fees and Charges 2018/19

3.1 The current proposed fees and charges for 2018/19 are attached as appendix 1 (to follow).

3.2 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.

3.3 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, approximately half is discretionary. This is made up largely of sports and leisure and waste fees and charges.

4.0 Conclusion and Reasons for Recommendations

4.1 Members are requested to note the content of this report.

5.0 Consultation

There is a requirement to consult on the draft budget and this consultation will take place as part of the budget setting process.

6.0 Alternative Options and Reasons for Rejection

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

Option 1: To not note the report but members will not be aware of the proposed fees and charges for 2018/19 if they choose to take this option.

7.0 Implications

Financial and Resource Implications

- 7.1 The financial implications stemming from this report are shown in appendix 1 (to follow).

Comments checked by:

Sanjay Sharma, Interim Head of Finance, 01295 221564

sanjay.sharma@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 The Council has to set a balanced budget each year and fees and charges are part of this process this report provides the updated position to enable the Council to meet this requirement.

Comments checked by:

Richard Hawtin, Team Leader – Non Contentious. 01295 221695

richard.Hawtin@cherwellandsouthnorthants.gov.uk

Risk Management

- 7.3 There are no specific risk management implications of this report.

Comments checked by:

Louise Tustian, Team Leader – Strategic Intelligence and Insight, 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, Corporate Policy & Project Officer, 01295 221586

caroline.french@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: Not applicable

Community Impact Threshold Met: Not applicable

Wards Affected All

Links to Corporate Plan and Policy Framework

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

Lead Councillor

Councillor Tony Ilott, Lead Member for Financial Management.

Document Information

Appendix No	Title
Appendix 1	Proposed fees and Charges for 2018/19 (to follow).
Background Papers	
None	
Report Author	Paul Sutton (Chief Finance Officer)
Contact Information	0300 003 0106 paul.sutton@cherwellandsouthnorthants.gov.uk

Date	Agenda Items
7 December 2017	Capital Bids 2018/19 Fees and Charges 2018/19 Medium Term Revenue Plan Q2 Business Rates Monitoring
30 January	Revenue and Capital Budget 2018/19 (Incl. MTFS) Provisional LG Settlement 2017/18 Discretionary Rate Relief Policy Discounts and Exemptions Review
27 February	Q3 Budget Monitoring: Revenue, Funding, Capital & Reserves Q3 Procurement Monitoring Q3 Business Rates Monitoring Q3 Write Offs

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