

URGENT BUSINESS AND SUPPLEMENTARY INFORMATION**Council****21 February 2011**

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
11.	(Pages 1 - 66)	2011/12 Service and Financial Planning Process, Corporate Plan, Revenue Budget and Capital Programme – Appendix 2: Budget Book	Chief Finance Officer / Section 151 Officer	Information not available at time of agenda dispatch

If you need any further information about the meeting please contact James Doble, Legal and Democratic Services james.doble@cherwell-dc.gov.uk, (01295) 221587

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Budget Book

2011/2012



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Foreword

This Budget Book sets out, in financial terms, the plans and aspirations of Cherwell District Council for the coming financial year. These have been developed by Councillors over the past six months. There has been input from all the political parties and our decisions have been based on extensive consultation with residents across the District, with businesses, with the voluntary sector and other interest groups to give us a complete picture of the wants and needs of the area. Overlaying this, the national economic position and the priorities and expectations of the Government have been taken into account. I am most grateful for the detailed and painstaking work of Cherwell's officers in synthesising all these disparate influences into a coherent whole.

The difficult economic context in which these proposals have been developed is well known. As part of its programme to address the deficit, the Coalition Government is making significant reductions in public spending. On 13 December 2010, we learned that there will be **cash reductions in Government formula grant** in 2011/12 and a further reduction in 2012/13 **totalling £2.3m**.

The choices that we have made have not been easy. We must ensure that taxpayers' money is spent wisely and that we deliver services that provide residents with what they need. Cherwell District Council is committed to protecting front line services as a priority during this period of financial challenge. To support this, securing efficiencies in back office and support functions is of paramount importance. Service reductions form less than 10% of the total reductions that the Council must make to achieve a balanced revenue budget for 2011/12. The Council has developed proposals that will reduce the 2011/12 net revenue budget by **£2.7m – a 15% decrease** on the 2010/11 budget. These reductions include our value for money review programme, procurement action plan, review of fees and charges, reductions in all support services and a number of discretionary areas of expenditure, shared senior management with South Northamptonshire and a further year of pay freeze on staff pay and Councillors expenses.

In order to “freeze” council tax for the forthcoming year, the Government will be providing a specific, unconditional grant that represents the income the council would have received had it increased its council tax in 2010/11 by a further 2.5%. We know that council tax is a significant burden for our residents so with this additional grant from the Government, we can **freeze council tax** for a second year running.

The **capital programme** for 2011/12 equates to **£13.9m** which represents new schemes of £3.8m, projected slippage from the 2010/11 programme of £8.8m and £1.3m of schemes approved in the 2010/11 budget for which spend was not profiled until 2011/12. At least one third of the capital bids can be categorised as spend to save initiatives and generate positive revenue implications which will contribute to the financial challenges ahead. These projects are detailed in page 17.

We know that Government grant will **reduce** still further in **future years**. Because of this, the Council is developing a range of responses that will deliver the necessary savings in the medium term. These include **reducing the unit cost of our most expensive services**, identifying **income opportunities** and **building on the benefits** of our shared senior management arrangements with our neighbours South Northamptonshire Council.

Robust financial planning and control processes are essential tools for a local authority to demonstrate good governance over public funds and to achieve **value for money**. Cherwell is continually seeking to improve in this area. The Council has set out an **ambitious vision** within its budget report to deliver **quality public services** to the people of Cherwell against a backdrop of an increasing demand, rising public expectation and economic recession.

Councillor James Macnamara
Portfolio Holder for Resources and Communication

Context

Our District

Cherwell District covers an area of 590 square kilometres (228 square miles) in north Oxfordshire. Named after the River Cherwell which flows through it, the District is located between London and Birmingham, at the most northern point of the South East region, where it meets the West Midlands and East Midlands.

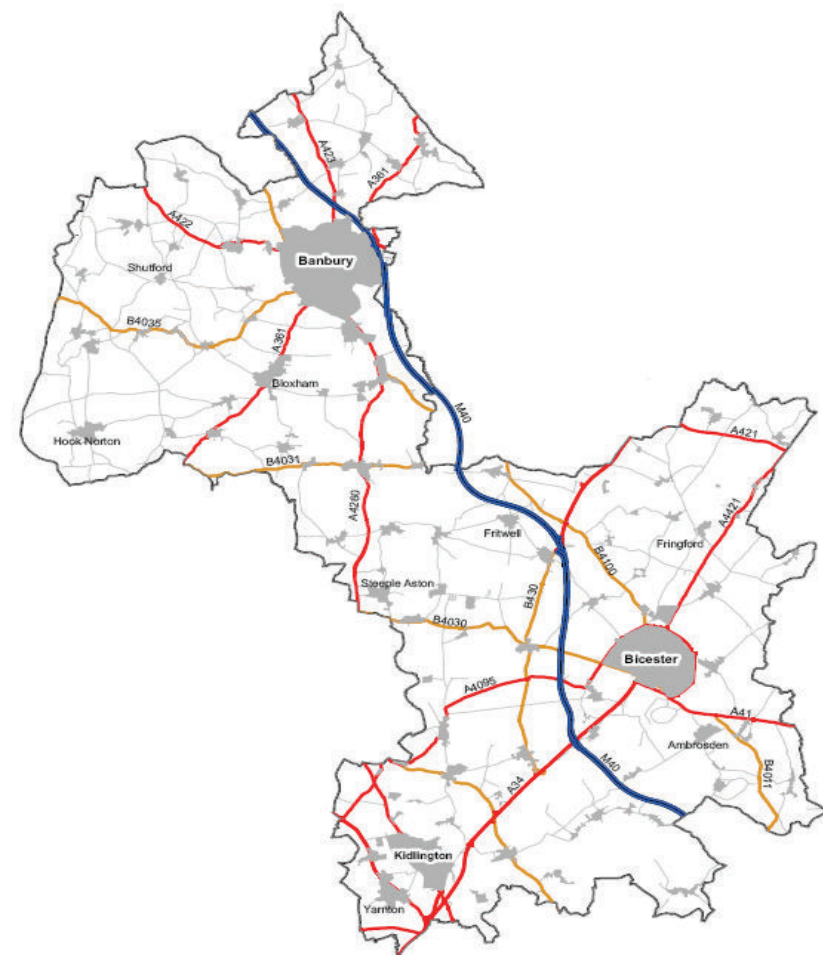
Cherwell borders Oxford City, South Oxfordshire, Vale of White Horse, West Oxfordshire, Aylesbury Vale, South Northants and Stratford on Avon Districts. The M40 passes through Cherwell and there are good rail connections to both London and Birmingham.

Approximately 137,600 people live in Cherwell with more than 62 per cent of the population living in the principal centres of Banbury, Bicester and Kidlington; the remainder in more than 70 smaller settlements of between 50 and 3500 people. The majority of the District (85 per cent) is made up of attractive farmland with 14 per cent lying within the Oxford Green Belt, contributing to making Cherwell the twelfth least densely populated district in the South East.

The District also has a rich built heritage, with approximately 3,000 listed buildings (8.6 per cent of the South East's total) and 54 conservation areas.

The population of Cherwell increased by almost 12 per cent between 1991 and 2001 and has increased by a further 4.5 per cent since then. Growth predictions of a further 8 per cent by 2016 and a cumulative 15.6 per cent by 2026 are significantly higher than regional and national rates. Most of the recent growth has been in the towns of Banbury and Bicester and this will continue. Bicester's population is projected to grow by 13.8 per cent between 2001 and 2016. The Council is working with its partners to ensure that the levels of housing growth required across the District can be accommodated, while protecting and enhancing the character of our urban centres, villages and landscapes.

Cherwell's population's profile is changing. The 2001 Census showed that 3.9 per cent of the district's population was of non-white ethnic origin. These low numbers were generally highly dispersed, apart from high concentrations in some Banbury wards (such as Grimsbury where 10.9 per cent was of black or minority ethnic origin). 2006 estimates indicate that the non-white population has grown to 5.9 per cent overall. In 2001 7.5 per cent of the population considered themselves to belong to a group other than white British. By 2006 this had grown to 10.7 per cent. Research and experience demonstrates that this growth has come and continues to come from migrant workers from Polish and other Eastern European communities. The Council is focused on ensuring that our services are accessible to all people living in the District.



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Budget Book

This document provides an overview of the 2011/12 service and financial planning process and details the 2011/12 revenue and capital expenditure requirements.

The draft budget has been prepared with the following objectives:

- To invest in the Council's priority areas
- To reduce the cost of support services
- To mitigate the impact of significantly reduced revenue contributions.
- To continue to improve levels of customer satisfaction with all services delivered

The **budget** has been subject to review and challenge as follows :

- July 2010 – September 2010 – Service / Budget planning.
- December 7th 2010 Resource & Performance Scrutiny Board
- December 6th 2010 – Executive
- January 10th 2011 Executive
- February 7th 2011 Executive where the draft budgets and council tax rates were recommended to Council for approval on 21 February 2011.

The **budget book** is designed to provide an integrated view of the whole of the Council's finances and outlook. It covers both revenue and capital spending, highlighting the inter-relationships between the two, and the resultant implications. It also considers all of the financial accounts, or Funds, operated by the Council, in addition to detailing Parish precept information.

All background papers available on website : www.cherwell.gov.uk



Background—The Process

In preparation of the challenging cuts expected from the Comprehensive Spending Review the search for efficiencies began in July 2010 – where a number of scenarios were modelled based on government funding costs of between 15%-30% over the four year MTFS period. The budget process formally began with the Executive issuing Budget Guidelines at their meeting on 11th October 2010, following discussion of the projected scenario for 2011/12 and beyond based on information held at that time. These guidelines included the decision that any service growth should be self-funding via efficiencies and that the council tax should not be increased.

For a number of years the Council's budget process has included consultation with the stakeholders of Cherwell to find out which services were most important to residents and others and what they thought spending and savings priorities should be in the coming budget year. The current budget process has continued this trend by seeking the views of the general public, the business community, the voluntary sector and other key partners on issues such as the most important services to spend on, where to decrease spending and the level the council tax should be set at.

The Budget Guidelines were used to prepare the base budget and to steer the Service Planning process.

The Corporate Management Team received regular updates on the overall budget position from August 2010 through to January 2011 and managed the overall process.

The Executive received regular reports detailing the service and financial planning process. A review of the impact of the Comprehensive Spending Review was presented on November 1st 2010. This was followed by 3 drafts of the revenue and capital budget proposals on December 6th 2010, January 10th and February 7th 2011, all reports outlining the latest position regarding efficiencies identified and remaining sums required to balance the budget.

The Resources and Performance Scrutiny Board reviewed a number of components of the 2011/12 budget. These included the proposed fees and charges, capital programme and all efficiency proposals that were recorded as building blocks. This work was carried out from October 2010 until November 2010. The recommendations of this board were taken to the Executive for consideration on 6th December 2010 and these were included in the final budget proposal.

The Executive concluded its budget deliberations on 7th February 2011 and recommended a draft budget to the Full Council.

The Full Council met on 21st February 2011 to consider and approve the budget and set council tax for the 2011/12 year.

Corporate, Service and Financial Planning Process

Service and Financial Planning Process

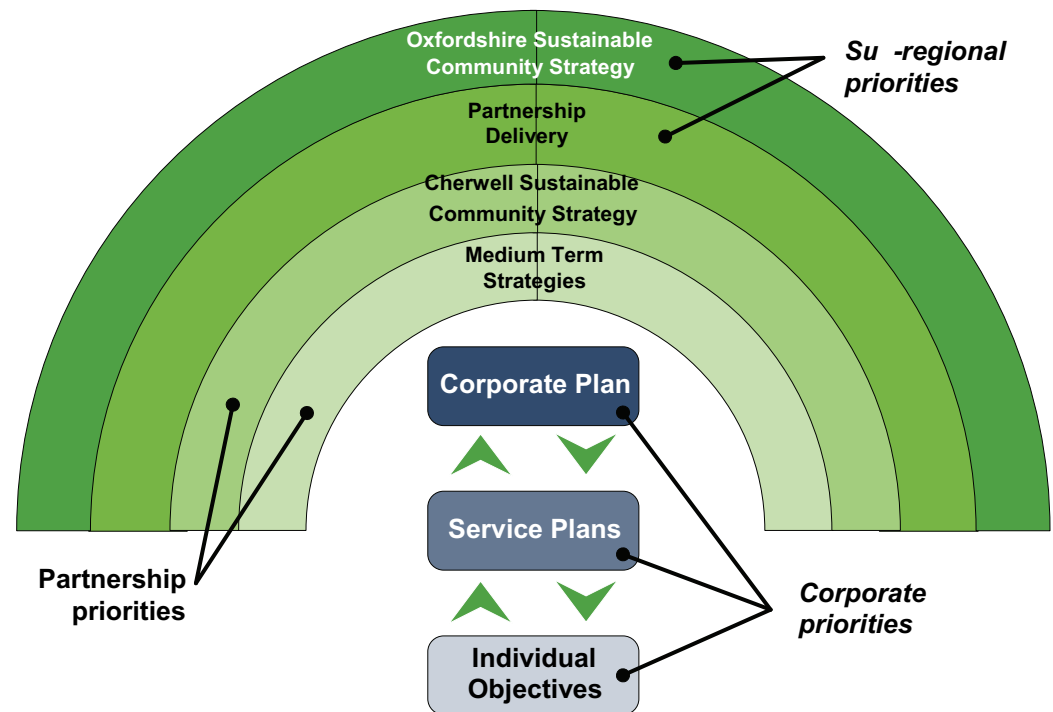
The Council has developed an integrated approach to corporate, service and budget planning. The process and timetable for developing the corporate plan and the service plans and budget that underpin it is presented in the table below.

Every year we make changes to the Service and Financial Planning process in the light of lessons learnt from the previous year and changes in the external environment. In overall terms we wanted to retain the most successful features of the process for 2010/11 in that it was a member led process that was challenging and clearly focussed on improving service delivery and organisational performance. Building on those strengths and taking into account the national financial and policy context we made a number of improvements:

There is a clear alignment with the sustainable community strategy for Cherwell (Our District, Our Future). There is alignment with the county wide sustainable community strategy (Oxfordshire 2030). We continue to ensure that staff are included in the development of service plans through away days and team sessions. The council produces an annually updated demographic profile of the district (Living in Cherwell) which provides an overview of the social and demographic challenges facing the district. A series of workshops are held for managers and team leaders outlining the results of public consultation to inform the service plan. This public consultation also informs the high level priorities in the Corporate Plan. The Executive portfolio holder for performance has reviewed all the service plans and provided a Member challenge role to the process.

We continue to use the corporate and service planning process to set challenging efficiency targets, services are expected to identify what additional efficiency savings could be identified through improved working, shared services and outsourcing.

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Corporate, Service and Financial Planning Process

Consultation and Prioritisation

Central to the Corporate, Service and Financial Planning process is the engagement with the local community about their priorities for the coming year. In recognition of the diversity of the district our consultation targeted a number of different groups. There were two full day sessions with members of the general public (drawn from all groups across the district and recruited on a quota basis to ensure representation).

We have consulted with stakeholder groups such as parish councils and local businesses at various events. This year the corporate plan was published in draft alongside the budget and was available on the consultation portal for comment.

We also undertake a representative sample survey to gain an understanding of people's priorities in terms of service investment, areas for improvement and levels of satisfaction. We boost the sample sizes from hard to reach groups (e.g. younger people, people from black and ethnic minority backgrounds) to ensure the information we use to make decisions is robust and representative.

The results from our programme of consultation show the diversity of needs and priorities across different groups in Cherwell. However, within this overall picture there are clearly some priorities that are the same for many groups. Most notable are dealing with anti-social behaviour, affordable housing, dealing with refuse, and protecting the environment. These findings reflect a relatively consistent set of priorities over the last three years. However, in our work this year we have seen issues around the recession and economic development be reflected more strongly in our results. We have also seen issues around young people (largely the provision of activities) rise in importance. This complex picture has meant that when we agreed the service plans and the resources to deliver them we had to balance the delivery of our corporate priorities with allowing services the leeway to respond to this complexity of needs.

	2006	2007	2008	% change 2007-08	2009	% change 2008-09	2010	% change 2009-10
Overall Satisfaction	60	65	67	+2	67	-	73	+6
Household recycling collection service	79	76	75	-1	78	+3	83	+5
Dealing with anti-social behaviour/ nuisance	34	30	36	+6	36	-	44	+8
Refuse collection service	67	67	68	+1	70	+2	78	+8
Street cleansing service	59	63	66	+3	67	+1	72	+5
Local parks and open spaces	72	71	70	-1	73	+3	74	+1
Recycling centres	77	77	83	+6	86	+3	87	+1
Sports facilities	62	58	63	+5	68	+5	71	+3
Local development control	30	36	45	+9	42	-3	43	+1
Community recreation facilities	69	69	75	+6	N/A	N/A	**	**
Local car parking facilities	59	58	63	+5	64	+1	63	-1

Satisfaction with Council Services (Customer Survey 2010)

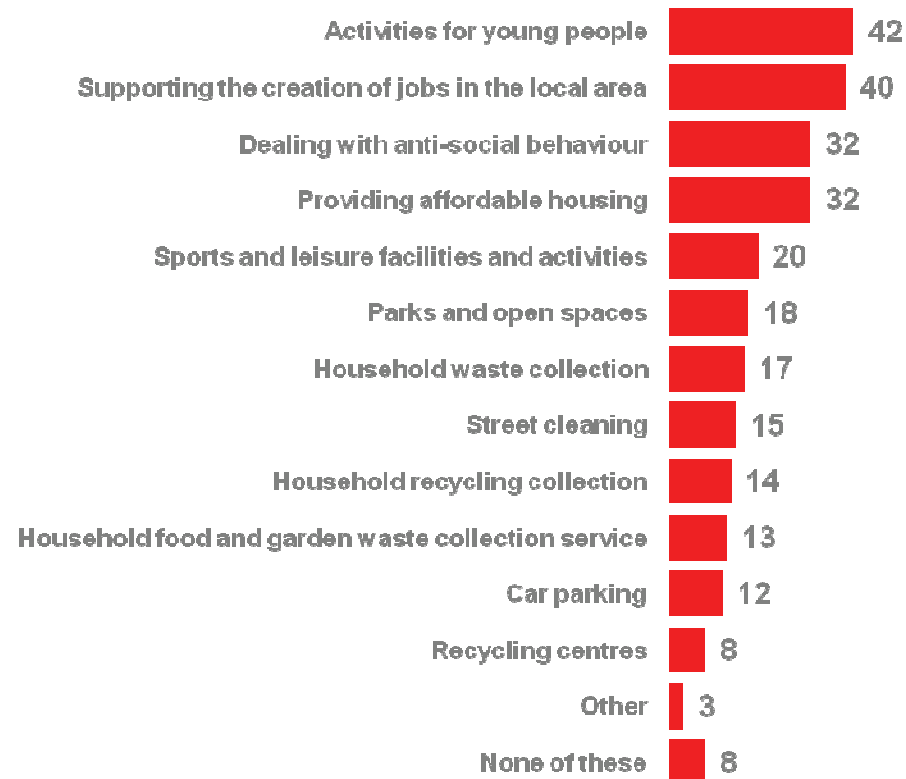
* Question changed to reflect locality, not comparable between 2006, 2007 and 2008.

Corporate, Service and Financial Planning Process

Priorities for Improvement – ranked index (Customer Survey 2010)



Spending Priorities by % (Customer Survey 2010) (Priorities for investment)



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Service Plans 2011/12

Copies of the Service Plans for 2011/12 are available on the Council's intranet site

<http://cherwelllive.cherwell.domain/general/Pages/PerformancePortal.aspx>

Cherwell District Council's Budget

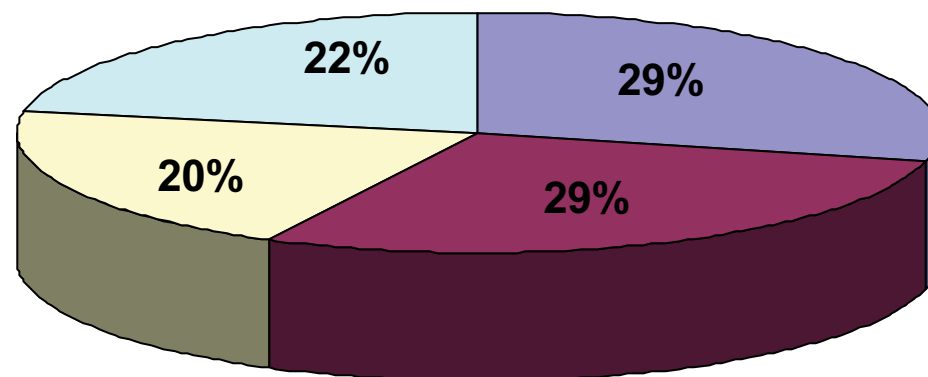
Money is spent in two ways – General Fund and Capital Investment Programme

General Fund

This is spent on day to day running costs and pays for most District Council services, including waste collections and disposals, car parking, arts ,museums, and landscaping. These services are paid for through Government Grants , Business Rates and Council Tax.

The General Fund budget is spent in line with the Council's priorities of :-

- A District of Opportunity.
- A Cleaner Greener Cherwell.
- A safe, healthy and thriving Cherwell.
- An accessible , value for money council.



- A District of Opportunity.
- A Cleaner Greener Cherwell.
- A safe, healthy and thriving Cherwell.
- An accessible , value for money council

Strategic Priority	2011/12 Budget	Spend per Head of Population
	£'s	£
	Net	
A District of Opportunity.	4,350,005	31.41
A Cleaner Greener Cherwell.	4,376,491	31.60
A safe, healthy and thriving Cherwell.	3,095,675	22.35
An accessible , value for money council	3,368,935	24.32
Total Net Service Expenditure	15,191,106	109.68
Centrally Controlled Items	668,834	4.83
Total Net Expenditure	15,859,940	114.51

Council Tax

The Council Tax bill for the 2011/12 financial year (1 April 2011 to 31 March 2012) is made up of charges from Cherwell District Council , Thames Valley Police Authority and Oxfordshire County Council.

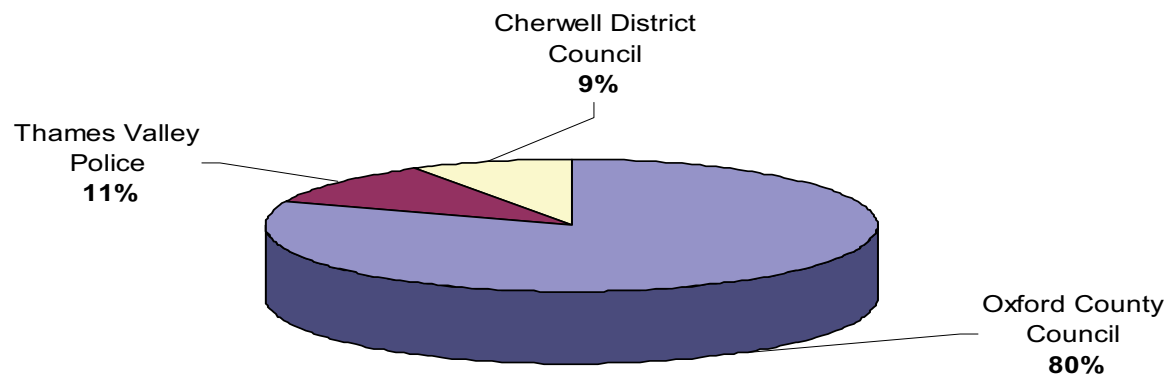
The District Council collects Council Tax on behalf of the other two bodies. The monies collected are then paid over to them in line with the amount they have included in their budget to be charged to households in the Cherwell District.

In 2011/12 the amounts are £7,766,999 for the Police Authority and £58,476,996 for the County Council. These amounts reflect a freeze in Council Tax.

The total to be raised from Council Tax is then converted into the charge for a Band D property, as shown in the table across and the graph below.

	2010/11	2011/12	£ Increase 2010/11 - 2011/12	% Increase 2010/11 - 2011/12
Council Tax Requirement - Cherwell	£6.188m	£6.216m		
Tax Base	50,113	50,337		
Cherwell District Council - Council Tax Band D	£123.50	£123.50	£0	0%
Police Authority precept	£154.30	£154.30	£0	0%
Oxford County Council precept	£1,161.71	£1,161.71	£0	0%
Combined Band D Council Tax	£1,439.51	£1,439.51	£0	0%

Council Tax Band D 2011/12



Council Tax

Band	Value at 1.4.91	Ratio	Number of Dwellings	Cherwell District Council £	Thames Valley Police £	Oxfordshire County Council £	Combined Council Tax 2011/12 £
A	Up to £40,000	6/9	5,175	82.33	102.87	774.47	959.67
B	£40,001-£52,000	7/9	14,734	96.06	120.01	903.55	1,119.62
C	£52,001-£68,000	8/9	16,075	109.78	137.17	1,032.63	1,279.58
D	£68,001-£88,000	9/9	10,107	123.50	154.30	1,161.71	1,439.51
E	£88,001-£120,000	11/9	7,051	150.94	188.59	1,419.87	1,759.40
F	£120,001-£160,000	13/9	3,181	178.39	222.88	1,678.03	2,079.30
G	£160,001-£320,000	15/9	2,273	205.83	257.17	1,936.18	2,399.18
H	Over £320,000	18/9	224	247.00	308.60	2,323.42	2,879.02

The charges per Band D property are then converted into a charge based on historic property values at 1st April 1991. Properties are allocated to bands by the Valuation Office Agency, which is part of HM Revenues and Customs. The Bands can be seen in the table above. If the property was not built or converted until after 1991, the band is based on the value the property would have had if it had been built in 1991.



Parish Precepts

Parish and Town Councils need money to provide additional services within the parish / town. The district council collects this money on their behalf through Council Tax, but the parish / town council decides how much it needs.

	Precept	Tax Base	Band D
	2011/12	2011/12	2011/12
Parish / Town	£		£
Adderbury	33,875	1188	28.51
Ambrosden	8,800	588	14.97
Ardley	11,320	260	43.54
Arncott	11,600	302	38.41
Banbury	1,783,807	14607	122.12
Barford	7,000	261	26.82
Begbroke	23,631	362	65.28
Bicester	998,595	10261	97.32
Bingthorn	9,876	142	69.55
Bletchington	13,000	340	38.24
Bloxham	57,000	1356	42.04
Bodicote	23,266	834	27.90
Bourton	8,000	294	27.21
Broughton	3,500	128	27.34
Bucknell	4,000	110	36.36
Caversfield	2,500	409	6.11
Charlton on Otmoor	5,500	199	27.64
Chesterton	10,000	345	28.99
Claydon	3,800	136	27.94
Cottisford	0	73	0
Cropredy	8,500	310	27.42
Deddington	35,010	914	38.30
Drayton	3,000	92	32.61
Duns Tew	13,000	221	58.82
Epwell	3,375	139	24.28
Fencott and Murcott	2,000	127	15.75
Finmere	5,500	214	25.70
Fringford	8,000	265	30.19
Fritwell	6,500	282	23.05

	Precept	Tax Base	Band D
	2011/12	2011/12	2011/12
Parish / Town	£		£
Godington	0	21	0
Gosford and Water Eaton	17,200	555	30.99
Hampton Gay and Poyle	750	73	10.27
Hanwell	5,000	128	39.06
Hardwick with Tusmore	0	36	0
Hethe	3,800	117	32.48
Hook Norton	52,000	925	56.22
Horley	3,755	158	23.77
Hornton	5,500	157	35.03
Horton cum Studley	6,000	247	24.29
Islip	14,845	316	46.98
Kidlington	549,102	4948	110.97
Kirtlington	16,000	445	35.96
Launton	15,000	495	30.30
Lower Heyford	7,190	221	32.53
Merton	7,000	140	50.00
Middle Aston	0	61	0
Middleton Stoney	3,200	149	21.48
Milcombe	9,000	222	40.54
Milton	0	118	0
Mixbury	464	116	4
Mollington	8,250	213	38.73
Newton Purcell	0	44	0
Noke	2,000	78	25.64
North Aston	600	88	6.82
North Newington	4,000	152	26.32
Oddington	0	62	0

	Precept	Tax Base	Band D
	2011/12	2011/12	2011/12
Parish / Town	£		£
Piddington	6,000	173	34.68
Prescote	0	6	0
Shenington	4,000	214	18.69
Shipton on Cherwell	5,000	144	34.72
Shutford	6,000	205	29.27
Sibford Ferris	4,913	193	25.46
Sibford Gower	9,000	249	36.14
Somerton	3,000	136	22.06
Souldern	6,000	203	29.56
South Newington	4,700	157	29.94
Steeple Aston	21,035	422	49.85
Stoke Lyne	2,750	104	26.44
Stratton Audley	5,750	206	27.91
Swalcliffe	5,500	108	50.93
Tadmarton	5,000	260	19.23
Upper Heyford	15,000	393	38.17
Wardington	10,000	245	40.82
Wendlebury	4,240	196	21.63
Weston on the Green	8,200	243	33.74
Wiggington	2,500	106	23.58
Wroxton	6,000	283	21.20
Yarnton	43,600	1047	41.64

General Fund

The General Fund is the fund in which the day to day operations of the council take place. There are two directorates and a corporate core that provide the services to the public and other costs that are not allocated to services such as financing costs. In setting the budget for 2011/12 , £3.413m of budget reductions have been included, this includes the achievement of the £800k Public Savings promise made when setting our Council Tax in 2010/11. Some of these reductions have been offset by other budget pressures and the net reduction is £2.7m. The council has been able to maintain Council Tax at the same level as 2010/11 through both incorporating the budget reductions detailed above and taking advantage of the Council Tax Compensation Grant available from Central Government.

Summary Expenditure & Funding

	Gross Expenditure	Gross Income	Net Expenditure
Expenditure by Directorate 2011/12	£'s	£'s	£'s
Environment & Community	£17,730,431	£7,002,586	£10,727,845
Planning Housing & Economy	£7,512,036	£3,593,928	£3,918,108
Corporate Core	£48,054,354	£44,540,339	£3,514,015
Total	£73,296,821	£55,136,853	£18,159,968
Less			
Reversal of Capital Charges			-£3,218,477
Centrally Controlled items			£918,449
			£15,859,940

The General Fund budget is broken down further into categories relating to revenue expenditure and revenue income as can be seen in the table below.

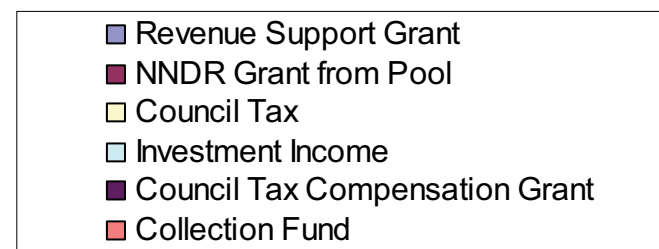
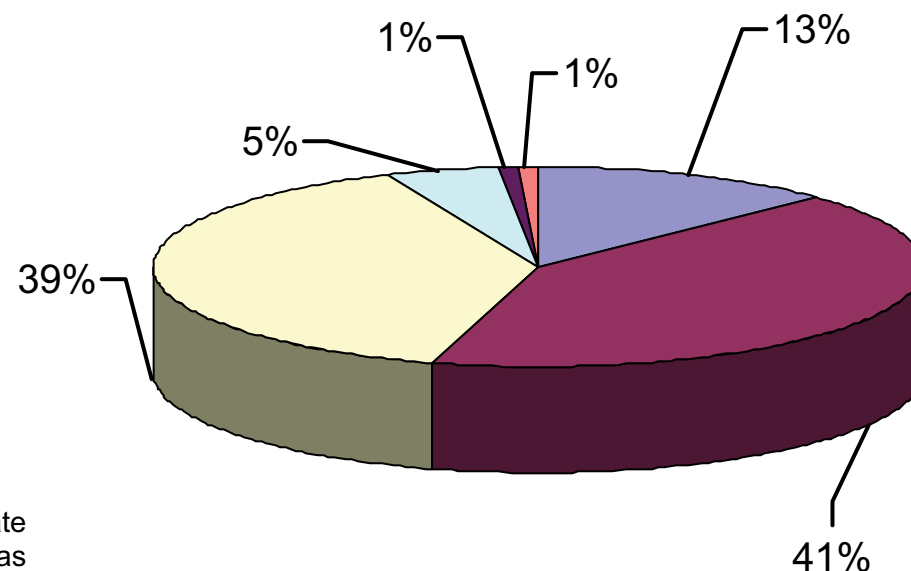
Subjective Analysis	£'s
Employees	£16,103,792
Premises	£2,276,537
Transport	£1,408,559
Supplies & Services	£3,989,005
Third Party & Transfer Payments	£50,198,770
Capital Financing	£3,218,477
Revenue Expenditure	£77,195,140
Grants	£46,326,196
Fees, Charges and Sales Income	£6,153,619
Rental Income	£1,964,593
Recharges	£3,672,315
Capital Financing	£3,218,477
Revenue Income	£61,335,200
Net Expenditure (Revenue Expenditure - Revenue Income)	£15,859,940

General Fund

The General Fund net expenditure in 2011/12 is £15.860m. The money to fund the budget comes from the Revenue Support Grant, Collection of Council Tax, Investment income and additionally this year, the Council Tax Compensation Grant. These amounts are detailed in the table and pie chart below

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FUNDING	2010/11	2011/12
Revenue Support Grant	£2,284,526	£2,038,752
NNDR Grant from Pool	£8,620,814	£6,595,706
Council Tax	£6,188,956	£6,216,621
Investment Income	£1,348,753	£723,407
Council Tax Compensation Grant	£0	£155,037
Collection Fund	£84,477	£130,417
Total	£18,527,526	£15,859,940



Collection Fund Estimates are prepared as at the statutory date of 15 January 2011. For 2010/11 a collection rate of 98% has been included in the calculations of actual yield.

Any sums which are received above this level will effectively be paid back to Council Tax payers in the following year, through the Collection Fund. If this level of collection is not achieved, the shortfall would have to be recovered from Council Tax payers in the following year, through the Collection Fund.

The Collection Fund can be found in **Annex 1**

General Fund

Movement from 2010/11 Budget

The 2011/12 net revenue budget has reduced by £2.7m – a reduction of 15%. The service and financial planning process has identified total reductions of £3.4m in 2011/12 of which £0.6m is contributed through an increase in income. The balance of £2.8m is made up of savings from the annual VFM programme, procurement savings and efficiency proposals.

Each of these efficiency proposals was evaluated for feasibility of achievement and found to be realistic. Each expenditure efficiency has been removed from the relevant budget and each agreed increase in income added to the relevant budget.

Significant reductions and increased income are highlighted below:

- **value for money review programme** - £1.2m (35%) - these reviews have included **reductions in all support services** and a number of **discretionary areas** of expenditure
- **review of fees and charges:** Car Parking - £0.4m (12%)
- **procurement** reductions - £0.4m (12%)
- **shared senior management team** - £0.3m (9%)
- other income - £0.2m (6%).

Both expenditure and income efficiencies will be profiled on the Council's Financial Management System to make it clear that efficiencies are expected to be realised from the agreed date.

Any one-off costs of achieving ongoing efficiencies have been built into the rationale of earmarked reserves held and projections of the use of those reserves.

The table opposite details a walk from the 2010/11 budget to the 2011/12 budget.

Budget Walk 2010/11 to 2011/12	
Base Service Budget 2010/11	£18,527,526
Budget Virements	£146,336
2010/11 Budget Pressure Adjustments	£520,098
Budget Reductions	-£3,413,444
Changes in Financing	-£189,338
New Effects	£193,464
Inflation	£75,298
Draft Base Budget 2011/12	£15,859,940
Movement from 2010/11 to 2011/12	-£2,667,586

Capital Investment

There is an aspiration to regenerate the 2 main towns of Banbury and Bicester which lie within the Cherwell District, whilst not forgetting to invest adequate financial capital resources in the remainder of the district for the people who live and work here. We aim to do this by delivering high quality programmes which will significantly boost the economic prosperity of the area and create much needed jobs and investment.

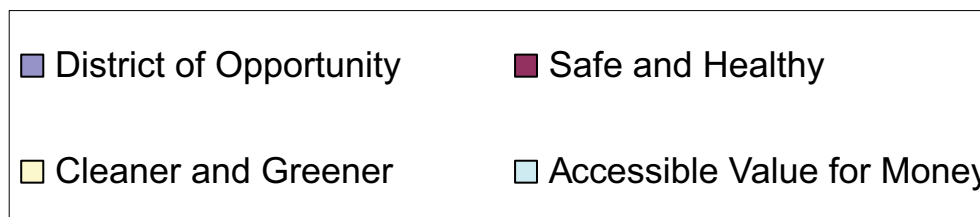
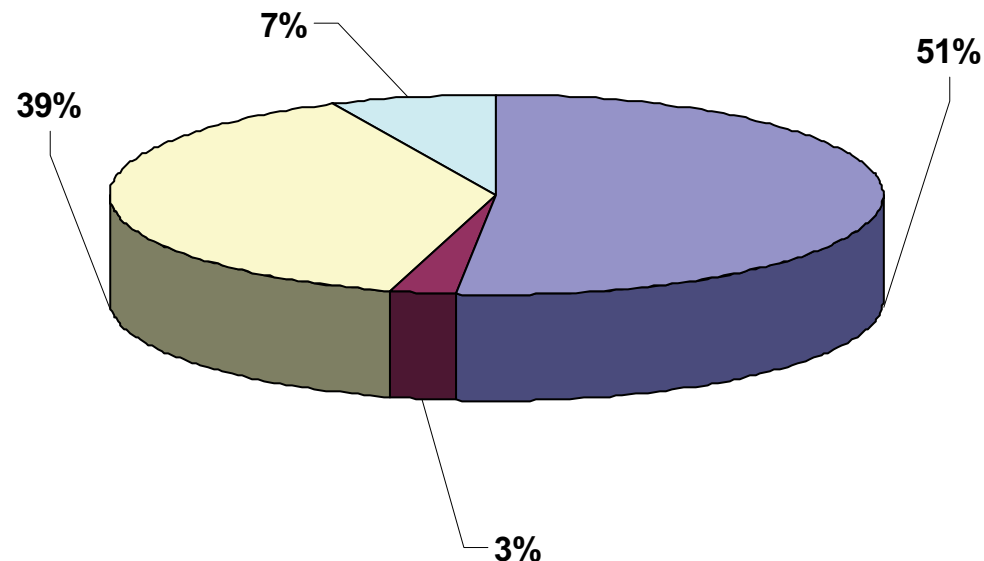
Cherwell District Council has a main Capital Investment Programme for 2011/12 with some schemes going up to 2013/14. The total cost of the strategy including capital budget slippage from 2010/11 is £21.2m of which £13.9m is planned to be spent in 2011/12. The programme is funded through a mixture of grants, capital receipts and other Council resources.

Like all public sector organisations, the Council currently faces challenging economic conditions. The main schemes into which the capital investment is being focused, will help to achieve better housing conditions, improved vehicles for refuse collection and recycling, and more environmentally friendly facilities for the tax payers of the district to use.

The table below show the new schemes approved on the Capital Programme for 2011/12 by Strategic Priority.

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	2011/12
Strategic Priority	£'s
District of Opportunity	£1,985,000
Safe and Healthy	£110,000
Cleaner and Greener	£1,486,000
Accessible Value for Money	£262,980
Total	£3,843,980



Capital Investment

The table below details the Capital Programme split down to projects in each of the Strategic Priorities

Capital Bid Scheme Title	2011/12
Fees of Future Regeneration Schemes	£50,000
Orchard Way Refurbishment	£250,000
Delegated Affordable Housing Capital Pot	£500,000
Discretionary House Condition Grants	£325,000
Mandatory Disabled Facilities Grants (DFGs)	£860,000
District of Opportunity	£1,985,000
Highfield Depot Improvements	£10,000
CCTV IP Transmission	£100,000
Safe and Healthy	£110,000
Photovoltaics at Bodicote House and Banbury Museum	£350,000
Mini MRF (Materials Recovery Facility)	£29,000
Recycling Bins Programme	£15,000
Vehicle Replacement Programme	£207,000
Solar Photovoltaics at Thorpe Lane Depot	£100,000
Solar Photovoltaics at Sports Centres	£785,000
Cleaner and Greener	£1,486,000
Replacement Voicemail Service	£10,000
Community Intelligence Hub	£20,000
Extended Contract for Website Hosting	£19,666
SMS Text Messaging Functionality	£13,000
Virtual Server Infrastructure Expansion	£30,914
SAN Expansion	£41,900
Core Business System Integration	£52,000
Uniform & Corporate GIS Database and Application Upgrades	£15,000
Contact Centre Call Recording	£10,000
Corporate Bookings System	£50,000
Accessible Value for Money	£262,980
TOTAL	£3,843,980

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PROJECTS GRAND TOTAL	£3,843,980
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FUNDING SOURCE	2011/12 £s
Capital Receipts	£2,421,980
Housing Reserves	£825,000
Disabled Facilities Grants	£375,000
Wheeled Bins Reserve	£15,000
Vehicle Replacement Programme	£207,000
TOTAL	£3,843,980



Medium Term Financial Strategy

Medium Term Financial Strategy

We continually update our medium financial strategy and model scenarios with the Executive members and Corporate Management Team to test our planning rigorously. The latest forecast can be seen along with assumptions in **Annex 3**.

All known cost pressures are built into the model and assumptions are made for unknown pressures. This modelling leads directly to a target for cost reduction 18 months or so before the savings are required. The target to be achieved during 2011/12 is £1m – our public promise. Our VFM programme and the full year effect of the shared senior manager team will deliver the majority of this target.

With regard to the medium term, there are a number of pressures facing the Council in the context of the national framework being applied to local government, which, amongst other things, requires increasing efficiencies and restrictions on council tax increases. Against this backdrop the expectation is that, future year's budgets will come under increasing pressure with a growing emphasis on prioritisation, efficiency, innovation and collaboration in service delivery. The Council may therefore face difficult decisions in later years in order to sustain a balanced budget over the medium term.

As part of the development of the MTFS and budget, analysis is undertaken of the key financial assumptions on which the budget will be based. The key areas covered included:

- ◆ Economic factors, such as inflation
- ◆ Treasury Management, including interest rates
- ◆ Demographic pressures on spending
- ◆ Asset Management, including a review of the Council's portfolio
- ◆ Other spending pressures opportunities (revenue and capital)

Service expenditure is prioritised based on their contribution to the delivery of the Council's strategic priorities, which in turn are informed by the consultation process. All funding streams are judged against the level of funding which is deemed to be affordable over the medium to long-term.

The draft 2012/13 forecast at present (ref – column E Line 35) shows a savings requirement of £1.4m and a cumulative target for the 4 years of £5.3m. This assumes that the Council does not rely on any investment income to balance the revenue budget and uses the provisional settlement figure for 2012/13 and then a range of assumptions.

The last forecast reported to the Executive in November 2010 indicated a cumulative deficit of between £14m to £16.8m over the 4 year period. However this has been greatly reduced as a result of the net budget reductions of £2.7m secured as part of the 2011/12 budget.

The MTFS model also shows an analysis of reserves, capital receipts, cash-flow and the impact of the capital programme. Our capital receipts are forecast to reduce from £37m to £14m by March 2016 based on the current capital programme.

There remains considerable uncertainty about the level of local government funding the period from 2013/14 onwards and a fundamental review of local government finance is expected.



The next Medium Term Strategy document is due to be published by the Council in May 2011 and will contain a further forecast update.

Reserves

GENERAL FUND RESERVE

The General Fund reserve shows the difference between income received and expenditure in the General Fund over the years.

All local authorities hold a general reserve to be called upon for any unforeseen expenditure.



General Reserve Balance	£'000
Closing Balance 31 March 2012	1,800

EARMARKED RESERVES

In considering the sustainability of the Council's expenditure plans a key factor is the level of reserves which are likely to be available to the Council and their ability to support the underlying level of expenditure in the long term.

One of the key aspects of the Council's financial planning is to ensure that an appropriate level of reserves is maintained to facilitate temporary use of reserves. These are employed to create the time in which to effect the necessary changes in spending plans in a managed way in instances where unforeseen eventualities occur.

The Council holds adequate reserves to meet all its known liabilities. These reserves have been subject to a full review in January 2011 with a further review planned in March 2011.

Each reserve has been created to cover a specific purpose and has been set at a prudent level to meet any liability that might arise.

31/03/11	Detail	Forecast
£000s		£000s
	Insurance Reserves	
-300	Insurance Reserve	-250
-300		-250
	Building Control Reserve	
-47	Building Control Reserve	0
-47		0
	Repairs and Renewals Reserve	
-605	Plant and Transport Renewals Fund	-200
-331	Wheeled bin replacements	-150
-936		-350
	New Reserves	
-1385	Iceland Write off reserve	-1,385
-1083	Joint Working Implementation	-100
-2468	Other Earmarked Reserves	-1,485
-1,798	Environmental Warranties Reserve	-1,600
-593	Corporate Change Reserve	-300
-711	Planning Control Reserve	-450
-697	Planning Policy Reserve	-700
-200	Interest Rate Risk Reserve	0
-79	Corporate IT Contingency Reserve	0
-100	Economic Risk Reserve	0
-100	Hanwell Fields Open Space Reserve	-100
0	Iceland legal Cost reserve	-20
-25	Licensing Reserve	0
-4,303		-3,170
-8,054	TOTAL	-5,255

Risk

Although best estimates have been taken into account when compiling the budget, the nature of the services provided by the Council means that there will always be a level of financial risk which needs to be monitored and managed. In 2011-12, these risks have been assessed as having a value of £358k (2% of the net revenue budget).

In meeting the adopted principles of prudence and sustainability, a key consideration is the level of risk and uncertainty faced by the Council. This is particularly an issue in light of the current economic environment.

Risk analysis and a determination of the adequacy of the level of reserves are key elements within the statement which the Chief Financial Officer is required to provide, under section 25 of the Act, in conjunction with the final budget and Council Tax recommendations. This report can be seen in Agenda Item 11 of the Council Meeting held on 21st February 2011.

As with any major Council project, a risk assessment is prepared and reviewed during the course of the development of the budget. This provides a basis to consider the impact and potential mitigation for key factors, and identifies potential areas for sensitivity analysis to determine the degree of exposure to risk.

This also draws on a review of the wider risks, which are highlighted in the Council's Risk and Assurance framework. The highest rated risks have been reviewed to assess whether there is a direct financial implication, and whether proposals within the budget would serve to increase or decrease the currently assessed risk rating.

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Significant Risks

The key risks which were identified as part of the review of risks in the preparation of this budget relate to :The Economic Downturn – and its impact on Council services, activities and finances, the return of funds from Icelandic bank Glitnir and delivery of savings associated with the shared senior management team.

A number of steps have been taken to identify specific risks and, where possible, to take actions to minimise their effects. A review of these risks is provided in **Annex 6**.

All risks are reviewed monthly and presented quarterly to the Executive and Accounts, Audit and Risk Committee.



Prudential Indicators

The Local Government Act 2003 requires the preparation and monitoring a range of Prudential Indicators for capital expenditure, external debt and treasury management. These are intended to provide a measurable demonstration that the authority is managing its finances in accordance with the requirements of the Prudential Code.

The objective of the Prudential Code is to provide a framework to ensure that the capital investment plans of the authority are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with professional good practice; and that the authority is accountable in making its capital finance and investment decisions.

The Prudential Code sets out 11 indicators covering five different aspects of capital finance and investment:-

- affordability
- capital expenditure
- prudence
- external debt
- Treasury management.

These indicators are the minimum required for the framework, although authorities are encouraged to include local indicators where these will enhance the framework. At this stage, no local indicators have been developed.

The indicators must be approved by the Council each year, as part of the budget process, although they may be amended during the year. The Head of Finance will be responsible for establishing procedures to monitor all forward-looking indicators and to act upon any significant variations. In particular there needs to be a system in place to flag any potential breach of the authorised limit for external debt.

The detailed Prudential Indicators are included in **Annex 2**.

Treasury Management

Treasury management is an important aspect of the overall financial management of the Council. The Prudential Indicators, as summarised in Annex 2 consider the affordability and impact of the Council's capital expenditure proposals; the treasury management strategy considers the funding of these decisions.

The Council is debt free and currently has **£65m** invested. The Council's treasury activities are strictly regulated by the CIPFA Treasury Management Code and statutory requirements.

The Treasury Management Code requires the Council to have in place:

- **A Policy Statement** which states the Council's treasury management policies, objectives and approach to risk management.
- **Treasury Management Practices** (TMPs) which set out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how these activities will be managed and controlled.
- An annual **Treasury Management Strategy** that outlines the expected treasury activity for the forthcoming year.



Compliance with the strategy, monitoring against budget and updating on the recovery of our claim against Glitnir is performed monthly. These reports are then subject to review by the Accounts, Audit and Risk Committee, as well as the Finance Scrutiny Working Group.

Quarterly performance is reported to the Executive as part of the Council's Performance Framework

The Council uses Sector as its treasury management advisor. Sector provide a range of services to the Council, including:

- Technical support on treasury matters and capital finance issues;
- Economic and interest rate analysis;
- Generic investment advice on interest rates, timing and investment instruments;
- Credit ratings/market information comprising the three main credit rating agencies.

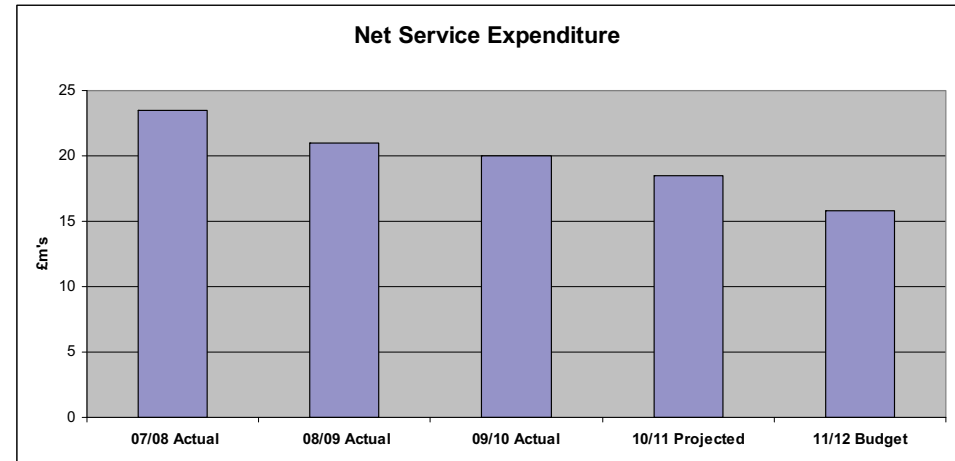
Whilst Sector provide support to the Council in these areas, the final decision on all treasury matters rests with the Council. The services received from Sector are kept under regular review.

Conclusion

The development of the budget for 2011/12 has been subject to rigorous challenge and scrutiny. The Service and Financial planning process examined aspects of service provision on the basis of operational and financial performance, delivery, risks, value for money and partnership arrangements.

In the period between 2007 and 2010 the Council has worked hard to cut its expenditure by £3.5 million. This process stepped up a gear in anticipation of last year's Government announcement of impending budget cuts, identifying further budget reductions and income opportunities of £1.5m in the current year (2010/11) and £2.7m in the 2011/12 budget.

This represents a 33% reduction over the 5 year period.



In the same 5 year period the Council has invested £72m in its capital programme which has included significant investment in our urban centres, leisure facilities, housing solutions and spend to save Initiatives that have provided revenue reductions.

The Council has set out an ambitious vision within its budget report to deliver public services to the residents of Cherwell against a backdrop of an increasing demand, rising public expectation and economic recession.

We know that Government grant will reduce still further in future years. Because of this, the Council is developing a range of responses that will deliver the necessary savings in the medium term. These include reducing the unit cost of our most expensive services, identifying income opportunities and building on the benefits of our shared senior management arrangements with our neighbours South Northamptonshire Council.

CHERWELL DISTRICT COUNCIL
COLLECTION FUND : REVISED ESTIMATES 2010/11

	<u>COUNCIL TAX:</u>	<u>BUSINESS</u>	<u>TOTAL:</u>
	<u>£.pp</u>	<u>RATES:</u>	<u>£.pp</u>
(SURPLUS)/ DEFICIT AS AT 1 APRIL 2010			
Oxfordshire County Council	(538,906.42)	0.00	(538,906.42)
Thames Valley Police Authority	(72,041.30)	0.00	(72,041.30)
Cherwell District Council/ODPM	(95,762.17)	0.00	(95,762.17)
	(706,709.89)	0.00	(706,709.89)
SURPLUS/ (DEFICIT) FOR PREVIOUS YEAR			
Re: Revised Estimates			
Oxfordshire County Council	474,381.78	0.00	474,381.78
Thames Valley Police Authority	63,471.08	0.00	63,471.08
Cherwell District Council	84,476.75	0.00	84,476.75
	622,329.61	0.00	622,329.61
INCOME FOR THE YEAR:			
Income From Council Tax	(69,833,832.09)	0.00	(69,833,832.09)
Council Tax Benefits Contribution	(7,362,836.51)	0.00	(7,362,836.51)
	(77,196,668.60)	0.00	(77,196,668.60)
Income From Non-Domestic Rates	0.00	(63,955,865.15)	(63,955,865.15)
TOTAL INCOME FOR THE YEAR	(77,196,668.60)	(63,955,865.15)	(141,152,533.75)
EXPENDITURE FOR THE YEAR:			
Precepts and Demands:			
Oxfordshire County Council	58,216,773.00	0.00	58,216,773.00
Thames Valley Police Authority	7,732,405.00	0.00	7,732,405.00
Cherwell District Council: General Purposes	6,188,956.00	0.00	6,188,956.00
Cherwell District Council: Town & Parish Council	3,993,202.00	0.00	3,993,202.00
	76,131,336.00	0.00	76,131,336.00
Non-Domestic Rates:			
Payment To National Pool	0.00	63,272,940.29	63,272,940.29
Cost of Collection Grant	0.00	224,845.37	224,845.37
	0.00	63,497,785.66	63,497,785.66
Provision For Appeals and Non-collection	64,358.30	394,236.00	458,594.30
Write off of Bad Debts	110,229.78	63,843.49	174,073.27
TOTAL EXPENDITURE FOR THE YEAR	76,305,924.08	63,955,865.15	140,261,789.23
(SURPLUS)/ DEFICIT FOR THE YEAR	(890,744.52)	0.00	(890,744.52)
DIVISION OF (SURPLUS)/ DEFICIT FOR THE			
Oxfordshire County Council	(681,142.28)	0.00	(681,142.28)
Thames Valley Police Authority	(90,469.94)	0.00	(90,469.94)
Cherwell District Council/ODPM	(119,132.30)	0.00	(119,132.30)
	(890,744.52)	0.00	(890,744.52)
(SURPLUS)/ DEFICIT AS AT 31 MARCH 2011	(975,124.80)	0.00	(975,124.80)
DIVISION OF (SURPLUS)/ DEFICIT AS AT 31			
Oxfordshire County Council	(745,666.92)	0.00	(745,666.92)
Thames Valley Police Authority	(99,040.16)	0.00	(99,040.16)
Cherwell District Council/DTLR	(130,417.70)	0.00	(130,417.70)

Prudential Indicators 2010/11 – 2013/14

The Capital Expenditure Plans

The Council's capital expenditure plans are summarised below and this forms the first of the prudential indicators. This total expenditure can be paid for immediately by resources such as capital receipts, capital grants etc. However, where these resources are insufficient any residual expenditure will form a borrowing need.

The Council is asked to approve the summary capital expenditure projections below. This forms the first prudential indicator:

	09/10 Actual £000s	10/11 Estimat- ed £000s	11/12 Estimat- ed £000s	12/13 Estimat- ed £000s	13/14 Estimat- ed £000s
Capital Expenditure 11/12 approved	17,676	5,582	13,923	5,704	599
Financed by:					
Capital receipts	(16,897)	(4,907)	(11,926)	(5,306)	(599)
Capital grants	(455)	(375)	(375)	-	-
Revenue funded reserves	(60)	(300)	(1,622)	(398)	-
Direct Revenue Financing	(264)	-	-	-	-
Net financing need for the year	-	-	-	-	-

The Council's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of Council's underlying borrowing need. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the Minimum Revenue Provision), although it is also allowed to undertake additional voluntary payments.

The Council is debt free and has no plans to enter into any long term debt arrangements. As such this section is largely irrelevant but is included for completeness if there was a decision to go back into debt. Therefore, the Council has a nil Minimum Revenue Provision for 2011/12.

The Council is asked to approve a NIL CFR projection as below:

Capital Financing Requirement	09/10 Actual £000s	10/11 Estimated £000s	11/12 Estimated £000s	12/13 Estimated £000s	13/14 Estimated £000s
Capital Financing Requirement:					
Total CFR	-	-	-	-	-
Movement in CFR	-	-	-	-	-
Movement in CFR represented by:					
Net financing need for the year (above)	-	-	-	-	-
MRP/VRP and other financing movements	-	-	-	-	-
Movement in CFR	-	-	-	-	-

The Use of the Council's resources and the Investment Position

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year end balances for each resource and anticipated day to day cash flow balances.

Year End Resources	2009/10 Actual £000s	2010/11 Estimated £000s	2011/12 Estimated £000s	2012/13 Estimated £000s	2013/14 Estimated £000s
Fund balances	(1,777)	(1,200)	(1,200)	(1,200)	(1,200)
Capital receipts	(46,290)	(37,728)	(23,805)	(18,101)	(17,502)
Earmarked reserves	(7,070)	(6,820)	(6,820)	(6,820)	(6,820)
Total Core Funds	(55,137)	(45,748)	(31,825)	(26,121)	(25,522)
Working Capital*	(9,382)	(9,382)	(9,382)	(9,382)	(9,382)
Expected Investments	(64,519)	(55,130)	(41,207)	(35,503)	(34,904)

Limits to Borrowing Activity

Within the prudential indicators there are a number of key indicators to ensure the Council operates its activities within well defined limits.

For the first of these the Council needs to ensure that its total borrowing net of any investments, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2010/11 and the following two financial years.

Borrowing	2009/10 Actual £000's	2010/11 Estimated £000's	2011/12 Estimated £000's	2012/13 Estimated £000's	2013/14 Estimated £000's
Gross Borrowing	-	-	-	-	-
Investments	(64,519)	(55,130)	(41,207)	(35,503)	(34,904)
Net Borrowing	(64,519)	(55,130)	(41,207)	(35,503)	(34,904)
CFR	-	-	-	-	-

The Chief Finance Officer reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in this budget report.

A further two prudential indicators control or anticipate the overall level of borrowing. These are:

- The Authorised Limit for External Debt – This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council.
- The Operational Boundary for External Debt – This indicator is based on the expected maximum external debt during the course of the year; it is not a limit.

The Council is asked to approve the following Authorised Limit and Operational Boundary:

Authorised limit	2009/10 Actual £000s	2010/11 Estimated £000s	2011/12 Estimated £000s	2012/13 Estimated £000s	2013/14 Estimated £000s
Borrowing	10,000	10,000	10,000	10,000	10,000
Other long term liabilities	500	500	500	500	500
Total	10,500	10,500	10,500	10,500	10,500
Operational Boundary	2009/10 Actual £000s	2010/11 Estimated £000s	2011/12 Estimated £000s	2012/13 Estimated £000s	2013/14 Estimated £000s
Borrowing	-	-	-	-	-
Other long term liabilities	-	-	-	-	-
Total	-	-	-	-	-

Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. The Council is asked to approve the following indicators:

Actual and Estimates of the ratio of financing costs to net revenue stream – This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. Since becoming debt free the indicator is negative because the Council has no borrowing but carries substantial investments.

	2009/10 Actual %	2010/11 Estimated %	2011/12 Estimated %	2012/13 Estimated %	2013/14 Estimated %
Non-HRA	-	-	-	-	-

Estimates of the incremental impact of capital investment decisions on the Council Tax – This indicator identifies the revenue costs associated with **new schemes** introduced to the three year capital programme recommended in this budget report compared to the Council's existing approved commitments and current plans.

Incremental impact of capital investment decisions on the Band D Council Tax

	2011/12	2012/13	2013/14
Council Tax - Band D	£0.36	£0.28	£0.03

Treasury Management Prudential Indicators and Limits on Activity

There are four further treasury prudential indicators the Council is asked to approve:

	2011/12	2012/13	2013/14
Interest rate Exposures			
	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	100%	100%	100%
Limits on variable interest rates based on net debt	40%	40%	40%
Maturity Structure of fixed interest rate borrowing 2011/12			
	Lower	Upper	
Under 12 months	0%	100%	
12 months to 2 years	0%	0%	
2 years to 5 years	0%	0%	
5 years to 10 years	0%	0%	
10 years and above	0%	0%	
Maximum principal sums invested > 364 days			
Principal sums invested > 364 days	£m	£m	£m
	0	0	0

MEDIUM TERM FINANCIAL STRATEGY

Column	10/11 BUDGET	PROPOSED BUDGET	Yr1	Yr2	Yr3	Yr4	
Line No.	A	C	D	E	F	G	H
		2010-11	2011-12	2012-13	2013-14	2014-15	2015-16
1	Base budget		18,527,526	15,191,106	14,675,633	15,160,501	15,471,624
2	Budget Adjustments - full yr effects and one off items		339,800				
	Full Year Impact of Prior Year Assumptions						
3	Job Evaluation / end of Protection			-45,000			
4	Fixed Term Posts						
5	Other						
	Unavoidable pressures (Fixed)						
6	Budget Pressures		520,098	100,000	100,000	100,000	100,000
7	SCM Contract inflation		31,780	31,780	32,733	33,715	34,727
8	Contract reductions - Capita			-10,000	-10,000	-10,000	
9	Concessionary Travel Transfer to County Council		-843,906				
10	Other						
	Unavoidable pressures (Assumptions)						
11	Pay Award			245,000	240,000	240,000	240,000
12	Pay Increments			75,000	150,000	150,000	150,000
13	Pension Contribution Increases		168,734	132,000	132,000		
14	Non specific inflation		43,518	51,469	40,135	47,408	52,074
15	Bicester Car Parking Income Strain			307,278			
16	Risk reserve		150,000				
17	Other						
	Budget Reductions						
18	Specific Reductions- see budget book		-3,413,444				
19	Shared Management with SNC		-333,000	-353,000			
	Income Assumptions						
20	Increased Income - BH and BTC			-50,000	-200,000	-250,000	-100,000
21	Fees and Charges						
22	Total budget requirement	18,527,526	15,191,106	15,675,633	15,160,501	15,471,624	15,948,425
23	Efficiency Target - : Public Promise			-1,000,000			
24	Total budget requirement	18,527,526	15,191,106	14,675,633	15,160,501	15,471,624	15,948,425
25	Revenue Support Grant	-1,382,766	-2,038,752				
26	NNDR Distribution	-9,522,574	-6,595,706	-7,612,722	-7,422,404	-7,236,844	-7,055,923
27	General fund/ reserves balances	-750,000	668,833		0	0	0
28	Council Tax Compensation Grant		-155,037	-155,037	-155,037	-155,037	
29	Investment Income - reduce dependency	-598,753	-723,407	0	0	0	0
30	Collection fund surplus	-84,477	-130,417	-100,000	-75,000	-50,000	-50,000
		6,188,956	6,216,620	6,807,874	7,508,060	8,029,743	8,842,503
31	Council Tax income	-6,188,956	-6,216,620	-6,428,559	-6,615,350	-6,807,463	-7,005,047
32	Deficit / (Surplus)	0	0	379,315	892,710	1,222,281	1,837,456
33	Council tax base (band D equivalents)	50,113	50,337	50,537	50,737	50,937	51,137
34	Council tax per band D equivalent	123.50	123.50	127.21	130.39	133.64	136.99
		6,188,956	6,216,620	6,428,559	6,615,350	6,807,463	7,005,047
35	Total Budget Reduction required in Year		0	1,379,315	892,710	1,222,281	1,837,456

The MTFS has been prepared based on the following assumptions :-

MTFS Assumptions	2011-12	2012-13	2013-14	2014-15	2014-15
Pay Award	0.00%	2.00%	2.00%	2.00%	2.00%
General Inflation - not contractual	3.00%	3.50%	3.00%	3.00%	3.00%
Council Tax Increase - 0.5% less RPI	0.00%	3.00%	2.50%	2.50%	2.50%
Government Grant - freeze no inflation	settlement	settlement	-2.50%	-2.50%	-2.50%
Pension Rates - valuation 2.7% over 3 years	0.90%	0.90%	0.90%	0.00%	0.00%
Employers NI	11.10%	11.10%	11.10%	11.10%	11.10%
Retail Price Index - Sector Forecast	3.00%	3.50%	3.00%	3.00%	3.00%
Interest Rate - Bank Base Sector Forecast	0.50%	1.00%	1.50%	3.50%	4.00%
Interest Rate Forecast	2.20%	1.90%	2.00%	4.00%	4.50%
Concessionary Fares	-£843,906				
Bicester Parking Income Strain		£10,928	£307,728		
Other Funding - not ringfenced - annual amounts					
LABGI Funding	£0	£0	£0	£0	£0
HPDG Funding	£0	£0	£0	£0	£0
ABG Funding - Climate Change	£0	£0	£0	£0	£0

HOUSING & PLANNING DELIVERY GRANTS

Housing & Planning Delivery Grant Received - 2007/08

Description	Date Received	Year of Grant	
PDG Tranch 1	03 Mar 2008	re:2007/08	(406,899)
PDG Tranch 2	03 Mar 2008	re:2007/08	<u>(21,653)</u>
			(428,552)

Housing & Planning Delivery Grant Received - 2008/09

Description	Date Received	Year of Grant	
HPDG	18 Nov 2008	re:2008/09	<u>(502,776)</u>

Housing & Planning Delivery Grant Received - 2009/10

Description	Date Received	Year of Grant	
HPDG	24-Marre:2009/10		(606,828)

Total Grant Available (1,538,156)

Spend of 07/08 & 08/09 Housing & Planning Delivery Grant

	2008/09	2009/10	2010/11	2011/12	2012/13	
Fund Part-Time Ecology Post - Urban & Rural	18,000	18,000				36,000
Planning Enforcement - Staffing	140,000	140,000				280,000
Planning/Build Control Electronic Data Capture Transferred to Planning Control	30,000	0				30,000
Reserve	382,328	0				382,328
Total Agreed Spend of 07/08 & 08/09 Grant	570,328	158,000	0	0	0	728,328

Balance available **(809,828)**

Proposed Spend of 07/08 & 08/09 Housing & Planning Delivery Grant

	2008/09	2009/10	2010/11	2011/12	2012/13	
Fund Part-Time Ecology Post - Urban & Rural			18,000			18,000
Planning Enforcement - Staffing			140,000			140,000
Planning/Build Control Electronic Data Capture Transferred to Planning Control			45,000			45,000
Reserve			0			0
	0	0	203,000	0	0	203,000

Unallocated **(606,828)**

Proposed Spend of 09/10 Housing & Planning Delivery Grant

	2008/09	2009/10	2010/11	2011/12	2012/13	
Planning/Build Control Electronic Data Capture (Note additional funding moved to this project in 2011/12 budget)			0	45,000	45,000	90,000
Funding of Econ Dev Regeneration Cap bids			50,000	50,000	50,000	150,000
Funding of Conservation Grants Cap bids (Project deleted in 2011/12 budget)			0	0	0	0
Temp Post - EH Graduate Job Creation (project deleted in 2011/12 budget)			0	0	0	0
Housing Services Private Sector Housing Strategy implementation - Private Landlord post & project (Note additional funding moved to this project in 2011/12 budget)			30,000	30,000	50,000	110,000
Apprenticeship/Student Scheme - PHE Admin			30,000	30,000	30,000	90,000
EAC Ecology Post - continuation of support			0	18,000	18,000	36,000
Neighbourhood Planning Pilot (new project introduced in 2011/12 budget)				45,000		45,000
Housing Services Consultancy Projects (Balance)			29,000	29,000	27,828	85,828
	0	0	139,000	247,000	220,828	606,828

Balance Unallocated **0**

HOUSING & PLANNING DELIVERY GRANTS

LABGI Grant 2007/08			
Description	Date Received	Year of Grant	
LABGI Grant	03-Jul-08	re:2007/08	(161,357)
Used to partly fund Council Services			161,357
Replenishment of Fund from Reserves			(161,357)
			(161,357)

LABGI Grant 2008/09			
Description	Date Received	Year of Grant	
LABGI Grant	05-Mar-09	re:2008/09	(65,501)

LABGI Grant 2009/10			
Description	Date Received	Year of Grant	
LABGI Grant	27-Sep-09	re:2008/09	(95,041)

Balance available				(321,899)
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	2009/10	2010/11	2011/12	
Funding 2010/11 Additional Staff Costs - Econ Development	0			0
Apprentices	0			0
Signage - Bicester Village/Town Centre	0			0
OBE Guarantee - not required	0			0
Alterations 38 Market Square - Job Centre - not required	0			0
Balance Available as at 12 May 2010 (end of Government funding regime)				(321,899)

	2010/11	2011/12	2012/13	
Funding 2010/11 Additional Staff Costs - Econ Development (job club etc)	36,743	60,000	60,000	156,743
Apprentices - possible future schemes -funding option not used to date	0	18,000	18,000	36,000
Signage - Bicester Village/Town Centre	10,000	0	0	10,000
OBE Guarantee - not used to date	0	25,000	0	25,000
Alterations 38 Market Square - Job Centre - funding not now required	0	0	0	0
Grant committed				227,743
Grant Uncommitted				94,156

BACKGROUND

Corporate, Service and Financial Planning Process

Setting the budget is one of the key outcomes from the Council's corporate, service and financial planning programme. This involves the preparation of service plans, which are developed not only to deliver the Council's strategic priorities as detailed in the Corporate Plan, but also to demonstrate how the published service targets, representing the Council's commitment for operational delivery in priority areas, are to be achieved. The budget is the financial expression of these plans, within the context of the Council's Medium Term Financial Strategy.

The programme involves elected Members, the Council's senior managers and, in many service teams, operational staff. The views of the public, our community partners, the voluntary sector and the local business community are all actively sought through structured consultation channels during the programme.

Public Consultation

The Council is under a statutory obligation to consult with local businesses on its proposed revenue and capital budgets each year. There is also a 'duty to involve' which obliges local authorities to undertake consultation and public involvement to help set local priorities for Council services and strategy.

Cherwell District Council makes significant efforts to consult with stakeholders on its corporate plan and budget proposals each year. The recognised benefits of this approach include the following:

- Provide members with information to support decision making
- Promote public involvement in decision making
- Identify priorities for spending
- Identify areas in which spending reductions are seen as most acceptable
- Raise awareness about how finances are spent
- Raise awareness of the Council's sources, levels of funding and council tax levels.

This year residents have been consulted through a wide range of qualitative and quantitative consultation methods including: meetings with local community groups and local businesses; use of the Council's online budget consultation portal and a staff survey. Council staff were also kept informed through the chief executive briefings and asked to feedback any views.

The consultation process was designed to be as inclusive as possible, seeking the views and opinions of residents, stakeholders, the business and voluntary sectors.

Understanding the views and opinions of local people has assisted the Executive as it develops and finalises the budget for the financial year ahead. The feedback obtained has also been used by council services alongside other sources of customer intelligence and feedback when developing service plans and in continued implementation of the council's vision.

Service Planning Priorities

This year corporate and service planning and the process of budget preparation has been more closely integrated than ever before, to ensure that the allocation of resources closely matches the delivery of the Council's objectives. This is of fundamental significance this year given the magnitude of savings required as a result of the comprehensive spending review.

The process has been driven by our improved understanding of customer needs, by customer feedback, comparative financial and service performance, and the need to demonstrate value for money; and it has been informed by extensive consultation involving the general public, the business community, the voluntary sector and key partners.

Elected Members were then able to draw upon this information and use it in determining the Council's service priorities for the forthcoming year, with services ranked from 1 (high priority) to 7 (low priority). This ranking provided an essential framework for the consideration of service resources and capital schemes. The full prioritisation matrix can be seen in Annex 1 and is summarised in the table below:

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Rank	Service Area
1	Refuse Collection and Recycling, Strategic Housing.
2	Economic Development and Regeneration, Antisocial Behaviour.
3	Sports Facilities, Local Development, Community Development, Housing Needs, Private Sector Housing.
4	Revenues and Benefits, Cleansing, Housing Needs, Local Transport and Concessionary Fares, Private Sector Housing, Environmental Protection, Arts, Rural Areas, Car Parking, Estates, Leisure Development.
5	Safer Communities, Health Promotion, Conservation and Urban Centres, Building Control and Engineering, Public Protection, Planning and Enforcement.
6	Planning Control, Diversity & Equality.
7	Landscape, Banbury Museum, Tourism, Licensing.

Corporate Plan 2011/12

Cherwell District Council's new corporate plan will be developed for the same period as covered by the comprehensive spending review (4 years 2011/12 - 14/15). This version outlines the Council's priorities for **year one** of the period (**2011-2012**) taking into account the reductions in the Council's net budget. This plan outlines the Council's four strategic priorities and the objectives that underpin each one. The performance of each objective will be monitored through either progress against projects, key milestones or numerical performance measures. Detailed targets and performance milestones will be set out in the Council's Performance Management Framework, which will be received by

A A District of Opportunity	B A Cleaner Greener Cherwell	C A Safe, Healthy and Thriving Community	D An Accessible Value for Money Council
<p>Work with partners to tackle disadvantage in the District.</p> <p>Support vulnerable residents through challenging economic times (<i>numerical measures homelessness, temporary accommodation, mortgage rescue, and project measures - supporting residents through benefits reforms</i>)</p> <p>Work with our partners to reduce the number of young people not in education employment or training across the district (<i>numerical measure</i>)</p> <p>Support local people into work (<i>apprenticeships and the Job Club - project measure</i>)</p> <p>Deliver the Brighter Futures in Banbury programme (<i>project measure and performance scorecard</i>)</p>	<p>Provide excellent waste collection and recycling services, working to reduce the amount of waste produced and to increase recycling across the district.</p> <p>Increase the household recycling rate to above 60% (<i>numerical measure</i>)</p> <p>Reduce the amount of waste sent to landfill (<i>numerical measure - tonnes</i>)</p> <p>Maintain the current high levels of customer satisfaction with our recycling and waste collection services (<i>numerical measure - survey</i>)</p>	<p>Work with partners to support the development of safe and thriving local communities and neighbourhoods.</p> <p>Continue to provide a wide range of recreational activities and opportunities of young people across the district (<i>project measure & numbers participating</i>)</p> <p>Work with partners to maintain already low levels of crime in the district (<i>numerical measures -crime & ASB</i>)</p> <p>Improve the condition of homes in the district to make them safer and healthier (<i>project measure</i>)</p>	<p>Provide value for money and a financially sound organisation, minimising the impact of smaller council budgets on frontline and priority services.</p> <p>Secure savings of at least £1m to help meet the reduction in our government funding (<i>financial measure against medium term financial strategy</i>)</p> <p>Ensure the Council's budget is matched to strategic priorities and services are able to demonstrate they provide value for money (<i>finance/project measure</i>)</p>
<p>Balance economic development and housing growth.</p> <p>Deliver 500 new homes including through planned major housing projects (<i>measured through the AMR- number of new homes, numerical measure</i>)</p> <p>Deliver 100 affordable homes in the district (<i>numerical measure</i>)</p> <p>Promote local economic development through business advice and support, inward investment and the Local Enterprise Partnerships (<i>project measure</i>)</p>	<p>Work to ensure our streets, town centres, open spaces and residential areas are clean, well maintained and safe.</p> <p>Maintain high levels of residents' satisfaction with street and environmental cleanliness (<i>numerical measure - survey</i>)</p> <p>Increase the number of bring bank recycling sites in the district (<i>numerical measure</i>)</p> <p>Work with local communities to continue the programme of neighbourhood litter blitzes (<i>numerical measure</i>)</p>	<p>Support the local community, voluntary and not for profit sectors to play an active role in the district.</p> <p>Work with the local voluntary sector to provide advisory services for the local community (<i>project measure</i>)</p> <p>Support volunteering across the district (<i>project measure</i>)</p> <p>Prepare a new community development strategy to ensure the Council's work in this area provides value for money and addresses local need (<i>project measure</i>)</p>	<p>Work with partners to reduce Council costs.</p> <p>Reduce senior management costs by implementing a single shared senior management team with South Northamptonshire Council (<i>financial measure</i>)</p> <p>Explore opportunities to reduce costs by working with partners including South Northamptonshire Council, to develop alternative service delivery models or shared services. (<i>project measure</i>)</p>

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<p style="text-align: center;">A A District of Opportunity</p>	<p style="text-align: center;">B A Cleaner Greener Cherwell</p>	<p style="text-align: center;">C A Safe, Healthy and Thriving Community</p>	<p style="text-align: center;">D An Accessible Value for Money Council</p>
<p>Develop a robust and locally determined planning framework.</p> <p>Develop a clear long term local development framework for the district (<i>project measure</i>)</p> <p>Prepare an updated policy for developer contributions and deliver at least £1million funding for infrastructure improvements. (<i>project measure</i>)</p> <p>Protect and enhance the quality of the built environment (<i>planning appeals and project measures</i>)</p>	<p>Work to reduce our impact on the natural environment, limit our use of natural resources and support others in the district to do the same.</p> <p>Reduce the Council's carbon footprint by installing solar panels on Council buildings and generating savings in our energy costs (<i>project measure and co2 numerical measure</i>)</p> <p>Work with partners to improve the energy efficiency of homes and enable more residents to achieve affordable energy bills (<i>project measure</i>)</p>	<p>Provide good quality recreation and leisure opportunities in the district.</p> <p>Make progress on the South West Bicester multi-sports village (<i>project measure</i>)</p> <p>Maintain current levels of visits/usage to district leisure centres (<i>numeric measure</i>)</p> <p>Secure the long term future of Banbury museum, reducing the cost for local taxpayers and maintaining access for the community (<i>project measure</i>)</p>	<p>Demonstrate that we can be trusted to act properly for you by being transparent about our costs and performance.</p> <p>Improve the information available to the public about our costs and performance, maintaining the publication of all items of expenditure over £500 (<i>project measure</i>)</p> <p>Consult with local residents in a cost effective manner to ensure the Council has a good understanding of local priorities (<i>project measure</i>)</p>
<p>Work to improve the quality and vibrancy of our town centres and urban areas.</p> <p>Start building the new shops and cinema in Bicester Town Centre (<i>project measure</i>)</p> <p>Make progress on the Canal side Regeneration programme in Banbury (<i>project measure</i>)</p> <p>Prepare detailed planning guidance for the future redevelopment of the Bolton Road area in Banbury (<i>project measure</i>)</p>	<p>Work with partners to support the development of Eco-Bicester, creating a centre of excellence in terms of green or sustainable living.</p> <p>Deliver the Eco-Bicester demonstration projects (<i>project measure</i>)</p> <p>Work with all parties to achieve an acceptable scheme on the initial 400 home development (<i>project measure</i>)</p> <p>Ensure there are opportunities for local people to participate in the Eco-Bicester programme (<i>project measure</i>)</p>	<p>Support improvement of local health facilities, services and standards across the district.</p> <p>Work to promote active and independent lifestyles amongst older people (<i>project measure: the Ageing Successfully programme</i>)</p> <p>Support the local NHS to retain and develop health services at the Horton General Hospital (<i>project measure</i>)</p> <p>Continue to support new and improved health services in Bicester and the surrounding area (<i>project measure</i>)</p>	<p>Work to ensure we provide good customer service through the delivery of high quality and accessible services.</p> <p>Maintain high rates of customer satisfaction with our Services (<i>70% numerical measure-annual survey</i>)</p> <p>Maintain existing levels of satisfaction with information provided by the Council (<i>69% in 2010/11 numerical measure - annual survey</i>)</p> <p>Improve access to our services by increasing online payment and appointment options (<i>project measure</i>)</p>

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Pledges 2011/12

A District of Opportunity

Work with our partners to reduce the number of young people not in education, employment or training across the district

Deliver 100 affordable homes in the district

Start building the new shops and cinema in Bicester Town Centre

A Cleaner, Greener District

Increase the household recycling rate to above 60%

Maintain high levels of residents' satisfaction with street and environmental cleanliness

Reduce the Council's carbon footprint by installing solar panels on Council buildings and generating savings in our energy costs

Work with partners to improve the energy efficiency of homes and enable more residents to achieve affordable energy bills

Deliver the Eco-Bicester demonstration projects

A Safe, Healthy and Thriving District

Continue to provide a wide range of recreational opportunities and activities for young people across the district.

Work with partners to maintain already low levels of crime in the district

A Value for Money Council

Secure savings of at least £1m to help meet the reduction in our government funding.

Improve the information available to the public about our costs and performance, maintaining the publication of all items of expenditure over £500

Maintain high levels of customer satisfaction with our services

Improve access to our services by increasing online payment and appointment options

As with any budget there is a risk that the actual spending patterns do not match the estimates. All budgets over £250,000 have been risk assessed and details are shown below. A contingency budget of **£358,000** and specific economic reserves have been included in 2011/12 to meet any adverse financial effects which may arise from these, or any other, issues.

Issue	£ Scale	Likelihood 1 (low) 4 (high)	Impact 1 (low) - 4 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place
Pay Costs	£12.5m total costs	2	3	6	1% pay increase = £125k. Worse case £250k (2%). Budget assumption = 0%	Largest single item of cost. Complex drivers across the organisation.	Strict monitoring of both financials and staff numbers. Formal sickness/overtime monitoring. Separate control on agency staff.
Vacancy Drag	£12.5m total costs	2	4	8	There are a number of vacancies at the final draft of the budget but these are budgeted.	Underspending in salary budgets	An assumption that some vacant posts will not be filled immediately and therefore £52k of salary costs not expected to be utilised and therefore used to offset risk.
Interest Rates	£0.7m 11/12 budget	2	4	8	Reinvestment assumed at 1% - 0.25% decline would present a shortfall of ~ £100k	Large cash variance from small rate changes. Large fluctuations in bank base rate.	Use of professional advisers Elimination of dependency on investment income by 01/04/13 in MTFs model using general fund reserves to offset impact. Specific interest rate reserve.
Investments	£65m 31/03/11	1	4	4		Financial institutions going into administration. Iceland recovery action	Investment strategy has been tightened up. Application for capitalisation and use of revenue reserves to counter any loss of funds in Iceland

Issue	£ Scale	Likelihood 1 (low) – 4 (high)	Impact 1 (low) – 4 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place
Fuel cost increases for Direct Services		3	2	4	£40k	Changes in global oil prices.	Financial provision made
Capita Revenues and Benefits Contract	Current contract includes 10% volume tolerances	2	2	4	Additional costs to administer revenues and benefits process from contractor due to volumes exceeding contract tolerances.	The payment of administration funding has been combined with funding for anti-fraud measures and is based upon the caseload of live claimants and the annual volumes of new claimants at a given date. Our caseload has increased by 3.4% from Dec 09 until Dec 10.	Additional subsidy and recession grant built into budget
Council Tax & Housing Benefit Subsidy		2	2	4	Timing impact of payments and reimbursements from DWP	Housing and Council tax benefit is awarded each year by the Council and then claimed back from the Department for Work and Pensions. Any inaccuracies in the calculation of the amounts paid out or non-compliance with the legislation could result in the claim being incorrect.	Service Assurance team will monitor accuracy. As this is a new way of working for the council a financial provision has been made.
Mileage	£25k	4	1	4	An assessment of unclaimed mileage made and an assumption of miles per employee at mileage rate has been used to calculate provision.	The car cash allowance is too being bought out and it is anticipated that many employees who have not claimed business mileage in the past may now submit claims.	Financial provision made

Issue	£ Scale	Likelihood 1 (low) – 4 (high)	Impact 1 (low) – 4 (high)	Total Score	Potential Annual Impact and Sensitivity Analysis	Risk Areas	Controls and Actions in place
Income Streams	£5.4m	2	3	6	An assessment of the best base case based on current demand and activity levels	Car Park, Planning, Building Control, Rents and Land Charges	Cover in general provision and increase monitoring cycles so that mitigating cost reductions can be made to offset income reductions.
Partnership working, partner Contributions and efficiency savings		2	2	4	Impact on individual projects is high.	Partner actions delayed. Agreed funding not received by CDC. Savings not achieved	Separate accounting arrangements. Written partnership agreements. Formal review of savings required and progress.
Government Grant	£8.6m	2	3	6	£86k per 1% decrease	Government reduces grant levels further as part of fundamental finance review and assumes a higher level of efficiencies in order to reduce grant.	Settlements set until 2012/13. Adequate level of General Reserve held. MTFS will be modelled on a number of scenarios relating to cuts.
Pensions	The increasing deficit	4	4	16	1% change in employers cont'ns = £125k. Revaluation to take effect from 11/12	Deficit on County Fund. Future Actuarial results.	Up to date staff profile Review as part of MTFS
General Budget Provision	1% of net expenditure £160k	2	2	4	A % of the net expenditure has been calculated as a general budget risk provision.	Some budgets are more sensitive and responsive to changes in demand, often caused by factors outside of the Council's control. In the event of any unanticipated changes it may be necessary to take corrective action and the effectiveness of this relies on good systems of budgetary control, monitoring and risk management.	Financial provision made

Directorate Detail

The table below details a summary of net expenditure and funding for 2011/12.

	2011/12			2010/11
	Gross Expenditure	Gross Income	Net Expenditure	Net Expenditure
Expenditure by Directorate 2011/12	£'s	£'s	£'s	£'s
Environment & Community	£17,730,431	£7,002,586	£10,727,845	£12,213,976
Planning Housing & Economy	£7,512,036	£3,593,928	£3,918,108	£2,185,845
Corporate Core	£48,054,354	£44,540,339	£3,514,015	£5,918,459
Total	£73,296,821	£55,136,853	£18,159,968	£20,318,280
Less				
Reversal of Capital Charges			-£3,218,477	-£2,850,060
Centrally Controlled items			£918,449	£1,059,306
			£15,859,940	£18,527,526

The following pages show each of the directorates budget in more detail - at Service Level. They also include the Key Objectives and Issues facing those directorates for 2011/12.

The main drivers for the reduction from 2010/11 budget to 2011/12 budget are detailed on page 15. This movement also incorporates a number of service restructures and reorganisations that took place during 2010/11 which were not reflected in the original budget for 2010/11 as shown above.

ENVIRONMENT & COMMUNITY DIRECTORATE

	Budget 2010/11	Budget 2011/12
ENVIRONMENT & COMMUNITY DIRECTORATE	£'s	£'s
Environment & Community	£349,849	£283,957
Environmental Services	£4,651,305	£4,390,599
Safer Communities Urban & Rural Services *****	£1,707,573	£42,315
Health & Recreation	£2,520,404	£3,031,444
Customer Services & ICT	£2,984,845	£2,979,531
	£12,213,976	£10,727,846

***** **Note** – the significant variation in budget from 2010/11 to 2011/12 is as the result of service re-organisation

Overview of the Directorate

The Directorate is responsible for the delivery lead for the Council's strategic priorities for Clean & Green and Safe & Healthy. Through its Customer Services and Information Services team, it also makes the lead contribution to the priorities for Accessibility & VFM. Its service base is wide, has in excess of 250 staff, is fully customer and resident facing and structured into four service groups of Environment, Recreation & Health, Urban & Rural, and Customer Services & ICT. Its wide service base means that it plays the most significant Council role in leading and contributing to most of the Cherwell Sustainable Community Strategy – Our District, Our Future's themes. Because of the nature of the services, it is also heavily reliant on partnership working.

Key Objectives 2011/12

- Key priority areas of service development and change include the new initiatives arising from the ongoing multi-agency Brighter Futures Programme to address inequalities in targeted areas in Banbury. Whilst this Brighter Futures Programme is a long term exercise, it will evolve every year as outcomes become clearer.
- In terms of the environment, the continued focus will be maintained on further reducing the Council's carbon footprint and in particular, supporting other businesses and local organisations to do the same. Also, maintaining the previous year's improvement in environmental quality and cleanliness through ongoing targeting reduced dog mess and fly tipping and further reducing the amount of waste sent to landfill..
- There will be a continued push to reduce further the already low level of crime and anti social behaviour across the District and in doing so, to improve local residents feeling of being safe in their home and community.
- We recognise the ageing population profile of the District and the need to plan for the future impacts of this. There will therefore be a review of services provided to older people to ensure that these are aligned to the age profile of the District with particular attention to the greatest increase in over 75s.
- There will be a need to continue the Council's support of the Oxfordshire PCT in retaining and developing services at the Horton General Hospital and the re provision of improved Bicester Hospital services.
- Due to the reduced future public sector funding available to the Council, 2011/12 will see many activities aimed at delivering economies and services at lower cost in order to attempt to protect front line services levels. Two key areas will be managing customer contact demand with a move to more online activity and improving our communications to and systems for customer services.

Key Issues 2011/12

- There will be further change in the structure of the Council and therefore the Directorate as part of the new shared senior management structure with South Northants Council as a means of delivering financial savings.
- 2011/12 will offer many challenges particularly in light of the economic position. The level of income from fees for car parking and recreation activities needs to be improved through a combination of ensuring services are provided to the right quality, at an affordable price and meet the needs of local residents.
- The Council's significant medium term budget reductions will mean an ongoing focus on finding ways to deliver similar or even lower service levels at reduced cost. The emphasis will be on efficiency savings for all services through the way goods and services are procured and delivered as a means of avoiding or minimising any front line service reductions.
- Customer intelligence has long been at the heart of what the Council does and how it does it. As resources get reduced, it will be imperative that customer intelligence must remain at the main driver for improvement so that despite our resource difficulties, it can be used to improve customer satisfaction even further.

ENVIRONMENTAL SERVICES

Key Objectives 2011/12

- To decrease the amount of waste going to landfill by 1000 tonnes through increasing the recycling rate to 60%
- To deliver financial efficiencies reducing the cost of collection including bringing in house the collection of glass
- To expand the network of bring bank sites increasing both the number of sites and the range of materials which can be recycled at such sites
- To further improve customer satisfaction levels on waste and street cleansing services
- To reduce the environmental impact of delivering environmental services

Key Issues 2011/12

- Encourage residents to increased participation in using the recycling services to reduce the amount of waste sent to landfill
- Deliver the range of financial efficiencies without reducing the overall service quality
- Co-ordinate the delivery of actions to reduce energy costs and emissions from across the Council's operations
- Engage residents and businesses to reduce emissions across the district

Key Objectives 2011/12

Landscape and Street Scene:

- Delivering grounds maintenance and arboricultural services through the contract with Continental Landscape Ltd. and on behalf of Bicester Town Council and Kidlington Parish Council
- Planning and managing floral provision throughout the District through the contract with Baginton Nurseries
- Providing landscape design advise on planning applications
- Managing the Banbury Market License
- Managing the Christmas Light Contract
- Administering road closure applications
- Developing proposals for Kidlington High Street pedestrianisation
- Develop a Tree Strategy for the District

Rural and Countryside:

- Implementing the Rural Strategy Delivery Plan
- Promoting access to the countryside for all
- Maintaining the network of circular walks/rides
- Promoting biodiversity (through the Annual Biodiversity Action Plan)
- Ensuring sustainable development through monitoring and advising on ecological effects/implications
- Delivering two annual Parish Liaison meetings.

Licensing

- The administration and enforcement of Licensing responsibilities in respect of the Licensing Act 2003, the Gambling Act 2005, Street Trading; charitable collections, Taxi licensing and Charities Act.
- Implementing revised management arrangements for street markets in Bicester and Kidlington

Vehicle Parks

- Delivering an information, enforcement and management service for Council operated car parks
- Managing the Bicester Residents Parking Scheme
- Supervising bus movements at Banbury Bus Station
- Managing parking permits and Exemption Certificates
- Implementing revised parking arrangements in Bicester

Safer Communities

- Supporting and promoting community safety initiatives
- Monitoring performance of 4 action groups as part of the Safer Communities Strategy
- Lead for the Cherwell Safer Communities Partnership
- Managing street warden schemes in Banbury and Bicester
- Coordinating 6 Neighbourhood Action Groups
- Managing the partnership budget
- Managing the CCTV partnership

Anti Social Behaviour

- The investigation of complaints of nuisance (including high hedges)
- Performing the function of Responsible Authority for public nuisance under the Licensing Act 2003
- Partnership working to tackle anti social behaviour, drug and alcohol misuse
- Operation of Nightsafe including administrative support to Bicester and Kidlington Pub Watch Schemes and a new Banbury Rural scheme

Key Issues 2011/12

Landscape and Street Scene

- On going Management of Landscape Maintenance contract
- Negotiated extension of the Landscape Maintenance Contract
- Delivering Efficiency savings from the Landscape Maintenance Contract
- Exploring new partnership opportunities to secure improved service and cost reductions
- New annual Bedding Supply Contract arrangements
- Managing the SLA's with Kidlington and Bicester.
- Considering affects of climate change
- Investigating partnerships with other councils
- Consideration where appropriate of management plans for CDC parks
- Green Infrastructure for Eco town Exemplar.
- Promote and enhance town centres through improvement programmes and special events
- Progress street scene inventory on GIS
- On going management, promotion and maintenance of the street scene
- Negotiations around Christmas lights provision to reduce Council costs and plan any capital improvements
- On going Landscape design input on new developments- Bankside; South West Bicester
- Negotiation of S106 arrangements on new developments.
- Review Area Tree Preservation Orders
- Managing the effects of increased number of Conservation Areas.
- Prepare with partners Britain in Bloom
- Manage the Banbury Market License
- Deliver the outcomes of the Scrutiny review of markets.
- Develop Customer Service Standards to the public via the web site
- Providing advice on Public Inquires
- Assist in major urban centre development initiatives
 - a) Bolton Road redevelopment
 - b) Bicester town centre redevelopment
 - c) Bicester Market Square project
 - d) Kidlington- pedestrianisation project

Rural and Countryside

- Guiding biodiversity at the Bicester Ecotown to ensure a net gain
- Managing the outcomes of the VFM Review
- Managing the outcomes of the MTFs Building Blocks
- Implementation and updating of Rural Strategy Delivery Plan.
- Implementation and updating of Cherwell Biodiversity Statement
- Ecology advice on planning applications
- Maintain the Circular Routes portfolio
- Continue to meet the obligations of the NERC Act 2006.
- Continue to improve accessibility of promoted countryside routes
- Negotiate & process Public Path Orders related to planning applications.
- Establish further opportunities for access to the Countryside in the south of the District, including Tour of Otmoor Cycle Ride and Bicester area circular walk

Licensing

- Maintaining licensing services to meet customer needs and expectations
- Implementation of any Gambling Act review requirements
- Implementing any Licensing Act 2003 changes, the review of Licensing Act Licensing Policy Statement for publication by 01/01/11 and any further review as a result of anticipated legislated change.
- Implementing any Sex Encounter Establishment requirements
- Implementing taxi rank provision-subject to Bicester town centre proposals
- Taxi tariff review

- Ongoing Member training
- Street trading review
- Embedding new market operations at Kidlington
- Community Intelligence Hub
- Embedding a new Licensing team
- Working with the EU services directive

Vehicle Parks

- Implementing the VFM outcomes
- Implementing MTFS Building Block requirements
- Managing an updated Bicester Residents Parking Scheme
- Reviewing partnering arrangements for parking services with third parties (Parkwood Leisure; Kidlington Parish Council; private car park operators; Meteor)
- Effects of town centre redevelopments in Bicester (Town Centre and Market Square)
- Deliver EIA Action Plan for Blue Badge Holder charges
- Exploring ways to maximise revenue
- Cashless parking opportunities
- Review of ticket machines to make best use of new technologies
- Eco-town proposal-parking and enforcement advice.
- Review of Bus Station operations and recharges
- Maximising revenue through the Council/s car parks portfolio and delivering an efficient enforcement service
- Monitor revised operational arrangements for automated bollards

Safer Communities & ASB

- The greatest challenge for the service will be reducing fear of crime and raising the public's satisfaction of how we tackle anti-social behaviour. This requires support from many partners, including Victim Support and Thames Valley Police – the latter will also be expected to maximise the benefits arising from the upgrade of the CCTV network.

Coalition Government Policy on community safety and ASB, including

- Promise from Minister for Crime Prevention of swifter action to tackle new 'legal highs' through temporary bans.
- Overhaul of the Licensing Act 2003-proposals for tough new measures to crack down on problem premises and give more powers to local communities.
- Promise of new 'tool kit' to help local authorities tackle ASB
- Scrapping of the public confidence target and the policing pledge together with National Indicators 15 and 20
- Policing in the 21 Century-reconnecting police and the people. Coalition policy document.
- Elected Commissioners of Police
- Thames Valley Police Local Policing Review
- Introduction of victim lead ASB Case Management and investigation Procedure
- Loss of external funding
- Uncertainty on Area Based Grant
- Implementing the Corporate Improvement Plan Project
- Ongoing secondment of Safer Communities Officer to HR.
- Reduction in budget provision of 50% in Night Safe
- Efficiency savings in CCTV

HEALTH & RECREATION

The Service comprises four service teams, all of which are wholly public facing:

- Recreation Facilities
- Public and Environmental Health

- Arts and Visitor Services
- Recreation and Health Improvement

Key Objectives 2011/12

- To maintain quality services in the face of increasing economic pressure and some service reductions.
- To deepen the dialogue with service users to shape future developments.
- To deliver the agreed Value for Money Recommendations across all service teams.

Recreation Facilities

- To ensure that the Cherwell Leisure Limited leisure centre contract is monitored and implemented in line with the Project Agreement and Output Specification working in close partnership with Parkwood Community Leisure.
- To work with Environmental Officers, Parkwood Community Leisure and the Carbon Trust to reduce the carbon footprint of all leisure facilities in line with the Environmental Strategy.
- Increase profile of Recreation facilities to ensure better understanding and knowledge of the opportunities to improve healthy living.
- Maintain current levels of visits/usage to district leisure centres
- Deliver a series of Olympic themed District events encouraging increased participation, civil pride and a legacy of long term activities and clubs.

Public and Environmental Health

- Delivery of the Food Safety Enforcement Service Plan 2011/12 and the Health & Safety Enforcement Service Plan 2011/12 so that the Council complies with its statutory responsibilities.
- Delivery of a risk-based inspection programme in accordance with statutory guidance.
- Maintain up to date Emergency and Business Continuity Plans and to ensure adequate staff training.
- Delivery of the joint Public Health Strategy and a range of health improvement and promotion activities.

Arts and Visitor Services

- Provide a range of arts and visitor services to support the voluntary arts sector and to improve the quality of life of residents and visitors to the district.
- Develop programme of activities linked to London 2012 Olympic Games.
- To seek to secure the long term future of Banbury Museum for the benefit of local people through the creation of a Trust.
- Delivery of a quality information services to visitors and residents of the district.

Recreation and Health Improvement

- Provide recreation and sport facilities, services and activities aimed at developing a wide variety of healthy lifestyle options for the whole community, with a particular emphasis on increasing opportunities for young people, diversity groups and older people.
- Progress South West Bicester Multi Sports Village Project
- Work towards 1% increase in adult participation in sport and physical activity
- Increase opportunities for young people to participate in positive activities.
- Development and continued support of the Positive activities for young people and Children and Young People Action Plans
- Develop further Play opportunities and initiatives in the district.

Key Issues 2011/12

Recreation Facilities

- Procure long term management of Wood Green Leisure Centre.
- Ensure full summer operation of outdoor swimming pool at Wood Green Leisure Centre.
- Maintain participation levels throughout all recreation facilities.
- Introduction of new holiday activity programmes at Joint Use sites to achieve income targets.

- Promoting sporting facilities and activities in the run up to 2012 Olympic games

Public and Environmental Health

- Regulatory responsibilities for food safety, occupational health & safety, caravan site licensing and animal welfare licensing.
- Reactive work in response to consumer complaints, accident notifications and food poisoning.
- Coordinating the Council's emergency planning and business continuity functions.
- Delivery of the joint Public Health Strategy and a range of health improvement and promotion activities.

Arts and Visitor Services

- Working with Oxfordshire County Council to explore the emerging youth provision and seeking to fulfil the obligations of the Arts Partnership at The Courtyard and, extending its reach in light of the North West Bicester Eco Town Development
- Maintaining the reach of already successful arts projects with external funding to improve the quality of life for the District's poorest and most disadvantaged residents, concentrating on intergenerational projects, older peoples work, rural isolation, and mental health and wellbeing.
- Seeking to secure the long term future of Banbury Museum for the benefit of local people through the creation of a Trust.
- Delivery of quality information services to visitors and residents of the district and to seek to further integrate with the customer contact centre as part of the VFM review.

Recreation and Health Improvement

- Progress South West Bicester sports village project in line with developers timescales (Housing market issues)
- Monitor and support delivery of Recreation Strategy and review the Action Plan
- Develop and increase the number of activities available in the district for young people – Through activity programmes / Youth Activator initiatives / partnership delivery .
- Deliver the Positive Activities For Young People local offer. Key priority of improving communication and information for young people, reducing barriers to activities especially in rural areas and identifying gaps in provision and giving young people with a priority on teenager's things to do. Links to reducing anti social behaviour and using recreation as a prevention tool.
- Key priority to increase activities and things to do for young people / improve areas of deprivation / reduce anti social behaviour and fear of crime and improve communication methods for young people and increase participation in physical exercise with young people.

CUSTOMER SERVICES & ICT

Key Objectives 2011/12

- Make the most of the Information systems infrastructure and assets we already have
- Achieve the externally recognised ICT industry standards ISO 20000, web accessibility Code of Practice BS 8878 and maintain ISO 27001 accreditation
- Improve internal customer satisfaction with both halves of the service
- Design and Implement a "Right First Time" programme
- Design and implement an appointments system at our LinkPoints
- Design and implement a Channel Management/ Access strategy: Increase the number of our services accessible online
- A systematic review of our annually-renewed support and maintenance contracts

Key Issues 2011/12

- Getting it "right first time" for customers
- Developing online services and pushing customers towards them and off the more expensive channels

- Introducing appointments and self-service payments at LinkPoints
- Changes to the benefits system
- Providing ICT infrastructure support for the SNC/CDC shared management team
- Developing a systems harmonisation strategy with South Northants
- Implementing Windows 7

PLANNING HOUSING & ECONOMY DIRECTORATE

	Budget 2010/11	Budget 2011/12
PLANNING HOUSING & ECONOMY DIRECTORATE	£'s	£'s
Planning Housing & Economy	£813,511	£723,284
Planning Policy & Economic Development	£728,528	£888,014
Development Control & Major Developments	£381,846	£387,350
Building Control & Engineering Services	£71,189	£-15,993
Regeneration & Estates *****	£-1,365,701	£-10,222
Housing Services	£1,556,472	£1,945,675
	£2,185,845	£3,918,108

***** **Note** – the significant variation in budget from 2010/11 to 2011/12 is as the result of service re-organisation (in particular the inclusion of facilities management and community development and significant associated grants within the Directorate)

Overview of the Directorate

The Directorate contributes to the full range of Council priorities, but in particular aims to ensure that Cherwell is a "District of Opportunity". The main services provided are planning, building control, economic development, strategic housing, statutory housing authority duties (e.g. homelessness and regulation of private housing), estates asset management and facilities management for the Council's operational land and property.

Key Objectives 2011/12

Key Objectives for the next year are:

- to progress the Local Development Framework in a form that effectively balances the need for new housing land with environmental protection and also takes account of the Government's localism and neighbourhood planning agenda. Priority will be given to providing future opportunities for an increased rate of affordable housing provision and new employment land and premises
- to use local planning powers and special Government funding to progress the Eco-Bicester project (national eco town scheme and integration with future development of Bicester as a whole). In particular to start the NW Bicester development as an exemplar in achieving urban development with reduced environmental impact
- to sustain the quality and speed of service in handling of planning applications - whilst achieving better outcomes on the ground in terms of design quality and provision of infrastructure and community facilities
- to sustain redirected and additional economic development work in response to economic conditions. In particular to support vulnerable residents and local businesses through difficult times by working with partners on job clubs, skills development, job creation, and special assistance in unemployment hotspots (parts of Banbury – Brighter Futures in Banbury Programme)
- to further focus housing services on homelessness prevention in response in growing housing pressures resulting from general economic conditions, the new Government agenda for social housing and welfare benefit reforms
- to develop the housing options and advice service to help local people facing housing problems (e.g. signposting new shared ownership and mortgage rescue schemes, greater use of private rented sector). Additional support will be directed to areas of greatest need (Brighter Futures in Banbury Programme)
- to rationalise the community development activity led by Housing services and integrate with new

corporate and partnership arrangements (covering work with the voluntary sector, community work associated with other services and use of property held for community activity and development)

- to continue delivery of new affordable housing in circumstances where housing development opportunities are much reduced and public sector funding is very constrained (e.g. by new approaches to planning decisions, use of new Government funding mechanisms and Council capital funds)
- to support high quality regeneration in urban centres (in particular to progress Bicester; Town Centre Redevelopment and Market Place enhancement and Banbury; town centre strategy, Canalside, Cultural Quarter)
- to make best use of the council's land and property assets. This involves efficient use and maintenance of property for operational purposes and imaginative use of assets to support overall Council objectives.

Key Issues 2011/12

The Council faces a significant overall reduction in resources as a result of public spending pressures. In addition external economic conditions remain unfavourable and this affects the PHE budget position, (particularly the need to assume lower levels of planning and building control application fee income and more modest expectations on property rental income). Planning is particularly affected by the loss of the Housing and Planning Delivery Grant.

The 2011 - 12 estimates therefore incorporate significant savings achieved from service rationalisation, general efficiencies and management restructuring. These financial pressures have necessitated some reorganisation of work and reprioritisation. In some areas the capacity of the PHE Services has been significantly reduced (a particular example is the loss on an in-house engineering function)

For PHE savings will be made in the following main areas:

- Changes in management structure arising from the decision to share a management team with South Northants Council (SNC) and to develop associated service initiatives
- Stopping work on land drainage / engineering and concessionary transport due to transfers of functions to the county council as a result of national decisions about how local government works on these services
- Continued Housing Services value for money savings arising from the Temporary Accommodation Strategy (reduced reliance on expensive private sector rooms) and staffing and general efficiencies
- Reduced use of specialist consultancy support in housing and planning services
- Value for money savings in development control through reduced newspaper publicity and efficiencies in consultation arrangements
- Further reductions in staffing in Development Control and Major Developments and Building Control to respond to decline in overall application workload. For building control, development of a shared service with SNC
- Efficiencies in administration support and facilities management

Housing and economic development workload continues to grow and the Council faces more difficult problems due to national economic conditions.

Though overall application numbers have fallen in the last few years the planning services is experiencing a high workload and costs from peaking of work on the Local Development Framework, the Government's new localism and neighbourhood planning proposals, the Eco Bicester project and major application cases such as the start of housing development at SW Bicester, revised plans for the Upper Heyford airfield

redevelopment and major employment developments in Banbury.

The overall budget position and service pressures will necessitate continued internal readjustment in the way resources are used. In particular resources are being transferred to support the economic development and housing response to recession. There is a growing use of special project sources of funding. Planned use funding still available from of Homelessness Grant, Local Authority Business Growth Incentive Grant, Eco Town funding and Housing and Planning Delivery Grant. These are limited sources and are unlikely to be replenished in future. They will be carefully applied over a number of years (three to five year funding plans are used).

There is a need to explore the new opportunities arising from the Government's proposals for a New Homes Bonus and a local regime for planning fees. These initiatives could assist planning and housing work. The Council's intention is to try to adopt a time limited project funding approach and avoid long term dependency on these potentially uncertain sources of additional funding.

The year will see significant changes to organisational structure as a shared management with South Northants Council is implemented.

In the transition to a new structure there will also be some essential reorganisation of PHE services at the start of the 2011/12 to reflect the service and management changes noted above:

- Planning Policy and Economic Development (PPED)
- Development Control and Major Developments (DCMD) (incorporates Building Control operating as shared service see - below)
- Building Control (BC) (operated as shared service with South Northants Council reporting via DCMD Service)
- Housing Services (HS) (includes residual / transition elements of engineering services – private sector housing drainage)
- Regeneration and Estates (RE) (includes some residual project elements of former engineering work)

For the purposes of Budget Book analysis and comparisons (below) some elements of the 2010 – 11 (former) Service structure are referred to. The changes that will be in place from the start of the 2011 -12 year (and anticipated follow up) are noted under the key issues sections. Full budget analysis will be available in the Council's published management information as the budget year progresses.

PLANNING HOUSING & ECONOMY

Key Objectives 2011/12

This is the overall management and support budget for the Directorate.

Key Issues 2011/12

The key objective is to provide effective management direction and administrative support with less resource. The year will see continued reorganisation and adjustment to achieve greater efficiency.

PLANNING POLICY AND ECONOMIC DEVELOPMENT

Key Objectives 2011/12

As Local Planning Authority the Council is responsible for preparation of the Local Development Framework (LDF). The LDF establishes land use policy and land allocations for new development. It also protects the key environmental assets of the district. Because Cherwell is a growth location and a top Council priority is to

provide more affordable housing, there is a special policy emphasis on affordable housing. This Service also works on built environment heritage protection and implementation schemes for regeneration and infrastructure (e.g. town centres economy and environment).

Key Issues 2011/12

Current priorities are to submit the LDF Core Strategy in the context of significant changes to the national policy and legislative context (Localism and Neighbourhood Planning) and create a policy framework to implement the Eco Bicester and the NW Bicester development (national Eco Towns Programme) and the Banbury Canalside redevelopment scheme. For conservation work an ambitious programme to complete appraisals of all the District's conservation areas is underway, but will proceed more slowly due to reduced resources. The service will also need to meet urban design advice and policy development requirements on current major developments and specialist areas (currently guidance on dwelling subdivision and Bicester Airfield).

Continued poor economic conditions place great emphasis on sustaining enhanced economic development work. A Strategy prepared under the auspices of the Local Strategic Partnership will be finalised during the year. Partnership development will need further work, as the Council is not able to undertake all aspects of economic development directly or locally. Linkages to two new Local Enterprise Partnerships (Oxfordshire City Region and SE Midlands) will require new ways of working. Contributing to the Eco Bicester initiative and using green issues as a new promotional focus will also be a priority. Significant additional resources have been made available to the service over the last year in the form of support from Local Authority Business Grant Incentive (LAGBI) funds and this will continue. This will allow the continuation and development of new initiatives introduced as a response to recession and relevant to economic recovery. Job Clubs will be sustained. Job and skill related initiatives will contribute to the council's overall focus on area deprivation in parts of Banbury (Brighter Futures in Banbury Programme).

DEVELOPMENT CONTROL & MAJOR DEVELOPMENTS

Key Objectives 2011/12

The Service is responsible for handling all planning and related applications made for development in the District. There is a particular focus on major developments arising from the significant growth agenda. The Service hosts the Eco – Bicester Project Team (multi agency and multi disciplinary).

Key Issues 2011/12

Routine application workload (and fee income) has declined due to the recession and staffing has been reduced. However major application pressures are growing and a busy year is expected.

A new value for money savings plan has to be implemented. This involves new procedures for newspaper advertising of applications and efficiencies in use of specialist consultancy and the consultation methods we use.

The Service has the challenge of sustaining its ambitious improvement plan through these changes. We are working on better pre application processes, customer contact and developer contributions guidance and monitoring.

The Government is proposing to introduce a local fee setting regime. This will necessitate an extensive review of the value for money position of the service and future funding options.

Also crucial is sustaining the high levels of performance in the speed of handling applications achieved in recent years, at the same time as increasing effort on the major schemes that shape the growth of the District. There are particular major development challenges arising from housing growth and town centre regeneration (SW Bicester and Banbury Bankside urban extensions, Bicester Airfield, RAF Upper Heyford and Bicester

town centre redevelopment).

The Eco Bicester Project will represent a growing challenge for the service (especially on corporate and inter agency working). The pace of implementation requirements and the exemplar nature of the scheme creates special demands and a high level of national interest.

Overall the delivery of schemes in a tougher financial environment will require intensive and innovative development control work and negotiation.

BUILDING CONTROL (operated as shared service with South Northants Council reporting via DCMD Service)

Key Objectives 2011/12

Building control involves approval of detailed plans to safeguard the structure and fabric of buildings and to ensure energy / services performance and quality. There is a regular inspection and enforcement workload to back this up. The Council acts as the public authority on Building Act matters, but is also in competition with private service providers on plan checking and inspection. A business approach is therefore necessary in this work.

From April 2011 the service will operate as a shared service with South Northants Council. Overall resource management and delegated authority will be provided initially via the Development Control and Major Developments Service (see above). As the overall shared management structure with SNC is finalised it is expected that the shared Building Control service will be continue to be managed in conjunction with Development Control. This will maintain the strong linkages in day to day work and customer contact.

Key Issues 2011/12

The challenge for the year is establishing the new shared service, integrating procedures, maintaining market share for fee earning work and providing an excellent corporate service.

Current poor property market conditions create very challenging conditions for business success. The priority remains to minimise costs whilst sustaining service capacity for the future. As part of this capacity Local Authority Building Control provides essential corporate input to development control, building projects and disability access issues.

ESTATES AND REGENERATION

Key Objectives 2011/12

The Service is responsible for a strategic overview of property asset management and its relationship with capital spending. This includes the formal Asset Management Plan, direct management of investment properties and facilities management of operational buildings and land.

Council land assets and property expertise can be a catalyst for regeneration work and this creates an important link to Directorate's wider role in planning and economic development.

Cost effective capital investment in, and planned maintenance, of operational buildings is a key function. Minimising facilities management costs is a continuing objective.

There will be many challenges for the service in sustaining property related income and progressing development projects in unfavourable economic conditions.

Key Issues 2011/12

Land / property based project priorities are Banbury Canalside, and its relationship to the flood alleviation scheme and the Bicester Town Centre shopping and cinema redevelopment. Work will continue on early planning for a regeneration project based on the Council's Bolton Road car park site in Banbury, and a partnership redevelopment of the east bank of the canal to provide an expansion of Banbury Town Centre including a cultural quarter.

The service is working on key capital projects to modernise the Council's depot accommodation in order to reduce annual costs and improve environmental performance. A major refurbishment project for office accommodation in Old House Bodicote is planned and letting of surplus office space will be explored. Energy efficiency and generation projects will form an important part of this work.

HOUSING SERVICES

Key Objectives 2011/12

The Council is the Housing Authority, but is not a housing landlord. Housing stock was transferred to Charter Housing - a Housing Association in 2004 and Housing Services role is to deliver the statutory strategic housing function. This involves facilitating new social and affordable housing provision with housing associations and other partners and work to maximise the use of existing affordable housing. The Service handles social housing allocations and deals with housing options advice and homelessness prevention / provision, including temporary accommodation. Private sector housing regulation and grant assistance work is also an important activity.

Key Issues 2011/12

Overall the service will need to refresh its Housing Strategy to reflect the considerable change in economic conditions, reduced public expenditure (especially capital for new affordable housing) as well as significant policy change from the Government. Welfare reform and declining funding for supported housing also present challenges. Casework demand is expected to rise steadily over the next few years.

Current priorities are to maintain new affordable housing delivery in very difficult economic conditions and ensure that there is a good service response to individuals in housing difficulty because of the recession. There is a particular focus on improving service in areas of greatest need (Banbury Brighter Futures Project).

Implementing new strategies for elderly people's housing needs and for private sector work will be crucial. New initiatives are being introduced (e.g. additional specialist extra care housing in planned schemes, a wider role for the Council's Home Improvement Agency, and greater private land lord support work).

Resources will be from special Government grants, more effective partnership work and from redirection of effort.

As a result of organisational changes the Service has taken a lead role on the Council's community development work and related grants programme. A new strategy reflecting the need to deliver more for less in this area by working through the voluntary sector will be developed. This will be an important contribution to the move towards the Government's concept of "big society".

Continued efforts are required to deliver overall value for money efficiencies and this will be increasingly challenging in light of the expected increasing demands on the service.

CORPORATE CORE

	Budget 2010/11	Budget 2011/12
CORPORATE CORE	£'s	£'s
Finance	£1,219,176	£545,818
Legal & Democratic	£1,424,196	£1,201,971
Improvement	£141,412	£135,458
Chief Executives	£440,167	£370,280
Human Resources *****	£2,142,821	£805,945
Corporate Strategy Performance & Partnerships	£287,349	£216,433
Communications & Corporate Publications	£263,338	£238,109
	£5,918,459	£3,514,014

***** **Note** – the significant variation in budget from 2010/11 to 2011/12 is as the result of service re-organisation

Overview of the Corporate Core

The Corporate Core directorate reports to the Chief Executive. This directorate brings together most of the support functions of the former Customer Service & Resources Directorate (although not Customer Service & ICT), the functions of the former Chief Executive's Office and Corporate Strategy and Performance.

Key Objectives 2011/12

- To provide leadership across the organisation as the council continues to tackle the impact of the economic recession and deal with the implications of cuts to our government grant, both to our services and to our staff
- To ensure that we continue to apply the highest standards of governance and the correct stewardship of public funds across the Council
- Successful elections process

Key Issues 2011/12

- To facilitate the implementation of the shared senior management team with South Northamptonshire and realise the required savings as well as identifying further potential synergies and efficiencies.
- Ongoing medium-term service and financial planning in light of government decision on reducing the national deficit.
- Continued simultaneous delivery of agreed savings targets and continuing high ambitions for improvement
- Implications of the Localism Bill and "Big Society"

Finance

FINANCE

Key Objectives 2011/12

- Providing value for money for customers and taxpayers by focusing our services around customers needs
- Production of management and statutory accounts and liaison with professional bodies
- Ensure the Council's employees and members are remunerated according to timetable and according to

new pay structure.

- Ensuring the correct stewardship of public funds
- Management of the Council's investment portfolio
- Contractual performance monitoring to ensure compliance
- Ensure that financial data is accurate, reliable, complete, relevant and timely
- Ensure quality decision making which will lead to improved service delivery
- Analysis of complex data and statistics to enable accurate forecasting & reporting
- Implementation/amendment of policy and procedures as a result of changes in all relevant legislation
- Development & delivery of service improvements
- Effective management of risks
- To improve collection of Sundry debt, Council Tax, Business Rates and Housing Benefits Overpayments, maximising income to the Council and minimising the customer's level of debt as appropriate
- To have well-trained and knowledgeable staff, able to provide an efficient and professional service to the Council, partners and its customers

Key Issues 2011/12

- MTFS forward looking and addressing funding reductions.
- Understanding the impact of the review of local government finance
- Implementation of IFRS
- Upgrade of financial system Agresso
- Understand the implications of the pension fund revaluation
- Financial support for the ECO project and governance of funding streams.
- Delivery of the 2011/12 budget through effective monitoring and improved dashboard
- Support the implementation of the shared senior management team

PROCUREMENT

Key Objectives 2011/12

The key focus continues to be that of transformation, providing the lead for all service areas in achieving Value for Money (VFM), as defined by procuring goods, services and works at the right whole life cost, quality, time and quantity.

This will be achieved by the embedding of best practice procurement principles based upon a process of options appraisals and forward planning. By encouraging service areas to clearly identify their key procurement requirements for the forthcoming year, contracts put in place will have clear and agreed outputs that can be effectively managed, providing the best overall lifetime value in terms of cost and efficiency savings. This focus on forward planning will also realise opportunities for corporate contracts and wider partnerships, seeing more effective cooperation within and without the Council in achieving corporate priorities.

- Delivering the Council's procurement strategy and savings plan ensuring that the key objectives are understood and embedded across the Council.
- Develop additional savings strategies such as prompt payment discounts and retrospective discounts for wider use of frameworks and contracts.

Key Issues 2011/12

- Continue to make it easier for local businesses to trade with us.
- Improve contract management knowledge via user manual & workshops
- Consider joint working opportunities with South Northamptonshire

SERVICE ASSURANCE & EXCHEQUER

Key Objectives 2011/12

The Service Assurance team is responsible for quality assurance and performance management of a number of internal and external suppliers for our high value critical outsourced Revenues and Benefits services in order to deliver effective performance of the revenues and benefits service for the residents of the district. This will be done by:

- Facilitating effective relationships between internal and external suppliers
- Contractual performance monitoring to ensure compliance
- Regular contractual negotiations resulting in performance rewards or penalties
- Ensuring that data is accurate, reliable, complete, relevant and timely
- Ensuring quality decision making
- Working with Capita to develop and deliver a service delivery improvement plan
- Working with our partners to obtain top quartile performance in new claims

Identifying and delivering training so that we have well-trained and knowledgeable staff, able to provide an efficient and professional service to the Council, partners and its customer

Key Issues 2011/12

- Contributing to improved collection rates which part fund the authorities service delivery
- Reducing fraud and error in the system by increasing the number of customers who understand what is expected from them, and what they can expect from us
- Understanding the impacts of the benefit reform on the Council and its residents

Legal & Democratic

Key Objectives 2011/12

- Successful participation in the National Fraud Initiative
- Successful district council elections and referendum in May 2011 on the alternative vote issue
- Advising on legal implications of merger with South Northamptonshire and other shared services initiatives

Key Issues 2011/12

- The implications of the Localism Bill
- The potential threat to Land Charges income from current interpretation of Environmental Information regulations
- Legal and governance issues arising from shared services

People & Improvement

HUMAN RESOURCES

Key Objectives 2011/12

- To deliver best practice people management and development
- To ensure the Council can respond effectively to changing priorities through flexibly staffing policy and practice
- To ensure the Council adheres to employment law and best practice through policy and practice
- To respond promptly and robustly to media enquiries
- To provide an effective framework for internal communication and involvement
- To drive continuous improvement and value for money
- To work with partners wherever possible to deliver the most cost effective solutions
- To maintain positive and effective employee relations
- To develop and support staff to maximise effective delivery and excellent customer service

Key Issues 2011/11

- To continue to deliver effective service with reduced resources.
- To facilitate the implementation of the shared management arrangements with South Northamptonshire in line with the business case
- To ensure the Council is able to respond flexibly to changing priorities
- To maintain effectively employee relations through significant change which will often adversely impact staff
- To continue to develop partnership working and delivery as broadly as possible (e.g. learning and development partnership with Oxford City Council)
- To support the delivery of savings, in line with government cuts and local objectives, across service areas and corporately

IMPROVEMENT

Key Objectives 2011/12

- Encourage a culture of continuous improvement and innovation across the Council.
- Agree and deliver a corporate value for money review programme to support the Medium Term Financial Strategy
- Support and deliver individual projects within the Corporate Improvement Plan
- Support joint working initiatives with South Northamptonshire District Council.

Key Issues 2011/12

- To facilitate the implementation of the shared management arrangements with South Northamptonshire in line with the business case
- To ensure the Council is able to respond flexibly to changing priorities
- To support the delivery of savings, in line with government cuts and local objectives, across service areas and corporately

COMMUNICATIONS & CORPORATE PUBLICATIONS

Key Objectives 2011/12

- Ensure 66% of residents feel well informed about council services
- Raise awareness of council's strategic objectives
- Support service areas' marketing and communications activities
- Provide open and honest information to residents, with clear lines of communication
- Provide media handling guidance and support for elected members and officers.

Key Issues 2011/12

- Managing increased workload during the implementation of share senior management team
- Developing new ways of working across the joint communication team
- Financial pressures, including the need to generate income to offset production costs of Cherwell Link

Corporate Strategy Performance & Partnerships

Key Objectives 2011/12

- To ensure the council and the LSP its partners have an effective Sustainable Community Strategy and performance arrangements in place
- To provide support, guidance and advice for members, managers and staff with regards to consultation and community engagement activities
- To commission research and consultation on behalf of the Council and the LSP
- To manage the corporate planning and service and financial planning processes for Cherwell District Council
- To provide a hub or network for access to community knowledge and engagement resources
- To provide a corporate framework to support effective partnership working and ensuring join-up with the Oxfordshire Partnership
- To lead the councils equalities, diversity and cohesion agenda
- To deliver the performance management framework for the council

Key Issues 2011/12

- Changes to the national performance regime, embedding the new requirements and streamlining existing reporting frameworks
- The impact of the transparency agenda and ensuring effective management information and data quality
- Improving the access to and the publication of performance information
- Reducing budgets and ensuring there are still opportunities for the public to have their say about council plans and policies
- Significant reduction in resources
- Consultation procurement
- Implications of the localism bill
- Implications of the big society agenda
- Renewing the council's approach to community development
- Support to brighter futures programme
- LSP development - role and governance of the LSP
- Merged management with south northants
- Refreshing the corporate plan
- Ensuring CDC maintains its focus on the delivery of the SCS through the alignment of medium term strategies and delivery plans to the SCS
- Ensuring the work of the team is joined up with changes to the democratic process and that the role of

elected members continues to be at the centre of our work

- Developing a culture of consultation and engagement across the council and within the LSP
- Increased demand to use customer knowledge (e.g. geodemographics) in a proactive way to direct and shape service delivery

Glossary of Terms

Actual The final amount of expenditure or income which is recorded in the Council's accounts.

Budget A statement of the Council's plans for net revenue and capital expenditure over a specified period of time.

Budget Requirement Broadly the authority's estimated net revenue expenditure after allowing for movement in reserves and the addition of parish precepts, to be met from revenue support grant, redistributed non-domestic rates and council tax income.

Capital Expenditure The acquisition, construction, enhancement or replacement of tangible fixed assets (i.e. land buildings, structures etc.), the acquisition of investments and the making of grants, advances or other financial assistance towards expenditure by other persons on tangible fixed assets or investments.

Capital Programme The capital projects the Council proposes to undertake over a set period of time.

Capital Receipts Money obtained on the sale of a capital asset.

Collection Fund The fund into which council tax and non-domestic rates are paid, and from which we meet demands by County and District Councils and payments to the non-domestic rates pool.

Council Tax A local tax set by Councils to help pay for local services. There is one bill per dwelling based on its relative value compared to others in the area. There are discounts, including where only one adult lives in the dwelling. Bills will also be reduced for properties with people on low incomes, some people with disabilities and some other special cases.

Council Tax Base The measure of the taxable capacity of an area. It represents the estimated full year equivalent number of chargeable dwellings in an area, expressed as the equivalent number of band D dwellings, after allowing for disabled reduction (relief) and discounts, adjusted for an allowance for non-collection.

Employee Costs This includes the full costs of employees including salaries, employers contributions to national insurance and superannuation, and costs of leased cars.

Fees and Charges In addition to income from council tax payers and business ratepayers and the government, local authorities charge for some services, e.g. local land charge searches and car parking.

General Fund (GF) The main revenue fund of the Council from which payments are made to provide services and into which receipts are paid, including the District Council's share of council tax.

Government Grants Payments by government towards either the revenue or capital cost of local authority services. These may be either in respect of particular services called specific grants, e.g. housing benefits or in aid of local services generally, e.g. revenue support grant.

Leasing A method of financing the acquisition of equipment, vehicles etc. The items concerned do not belong to the user (or lessee) but are the property of the lessor to whom the lessee pays an annual rental for a specific period of time.

National Non-Domestic Rate (NNDR) Non-domestic rates are levied at a uniform rate in the pound (the NNDR) set by the Government. The proceeds are pooled nationally and then redistributed to each Local Authority in proportion to residential population.

Precept The demand on the collection fund by one authority (e.g. Oxford County Council) which is collected from the council tax payer by another (e.g. Cherwell District Council). Precepts on Sevenoaks are also made by Town Parish Councils in the District. These are charged to the General Fund.

Premises Expenses Includes expenditure on repairs, buildings, grounds and plant maintenance, energy, rents, rates, water services and cleaning of council buildings.

Recharges The transfer of costs from one account to another.

Reserves The general capital and revenue balances of the Council. There are two types of reserves which might be described as either available or not available to finance expenditure. Revenue reserves which result from monies being set aside or surpluses or delayed expenditure can be spent or earmarked at the discretion of the Council. The useable capital receipts reserve is also available to the extent allowed for by statute. However, other capital reserves are not available to meet expenditure, e.g. the reserves brought about by the new capital accounting system namely the fixed asset restatement reserve and the capital financing reserve.

Revenue Expenditure Expenditure to meet the continuing cost of services including wages and salaries, purchase of materials and financing charges on capital expenditure.

Revenue Support Grant (RSG) The general Government grant to local authorities. It is payable to all local authorities in support of expenditure in their area.

Revised Estimates The approved estimates for the current year as amended e.g. by supplementary estimates and virement.

Specific Grant Government grant for specific purposes. The authority does not have the power to apply such grants for other purposes

Support Services The charges made by the corporate core for the services they provide to other departments. These are services which support the provision of services to the public, other support services and the corporate and democratic core. This includes the provision of accommodation, IT, administrative items purchased centrally, (e.g. telephones, stationery and bank charges), central professional services (Personnel, Legal and Property, and Financial Services support) and the cost of providing some centrally provided support service e.g. cashiers, post distribution and contact centre.

Transfer Payments Payments to other bodies where no goods or services are received in return by the Authority, e.g. Housing Benefit grants.