

URGENT BUSINESS AND SUPPLEMENTARY INFORMATION

Council

27 February 2012

Agenda Item Number	Page	Title	Officer Responsible	Reason Not Included with Original Agenda
11.	(Pages 1 - 50)	2012/13 Service and Financial Planning Process, Corporate Plan, Revenue Budget and Capital Programme and Treasury Strategy – Appendix 1: Budget Book	Head of Finance and Procurement, Director of Resources / Section 151 Officer	Information not available at time of agenda dispatch

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Budget Book

2012/2013



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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 nine 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 key partners. Overlaying this, the national economic position and the priorities and expectations of the Government have been taken into account.

The difficult economic context in which these proposals have been developed is well known. In December 2010, we learned from the Comprehensive Spending Review that there was to be **cash reductions in Government formula grant** in 2011/12 and 2012/13 **totalling £2.3m**. We are also anticipating further reductions in 2013/14 and 2014/15 although not yet quantified as the final outcomes from the Local Government Resource Review are still awaited.

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.

Cherwell District Council has **avoided** asking residents for an increase in its proportion of their council tax for 2012/13 – **the third year running**. We have achieved this by continuing to proactively embrace the challenges of reduced government funding by using innovative thinking, technology, joint working and ensuring services offer value for money. We have continued to cut overheads while improving and protecting the services you tell us matter most. In 2012/13 we will **spend £8.9m less than we did five years ago – a 38% reduction**.

The Council has developed proposals that will reduce the 2012/13 net revenue budget by **£1.2m – an 8% decrease** on the 2011/12 budget. These reductions include our value for money review programme, joint working with South Northamptonshire, procurement action plan, reductions in all support services and a number of discretionary areas of expenditure.

The **capital programme** for 2012/13 equates to **£13.7m** which represents new schemes of £4.7m and slippage from the 2011/12 programme of £9.0m. A number of these capital bids can be categorised as spend to save initiatives and generate positive revenue implications or recycle capital receipts 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 will review and refresh its medium term financial plan in the forthcoming months. The necessary savings will include **reducing the unit cost of our most expensive services**, identifying **income** opportunities and **building on the benefits** of our shared senior management and current **joint working** 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 uncertainty.

I am most grateful for the detailed work of Cherwell's officers in putting this 2012/13 revenue and capital budget together.

Councillor Ken Atack
Lead Member Financial Management
27 February 2012

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.

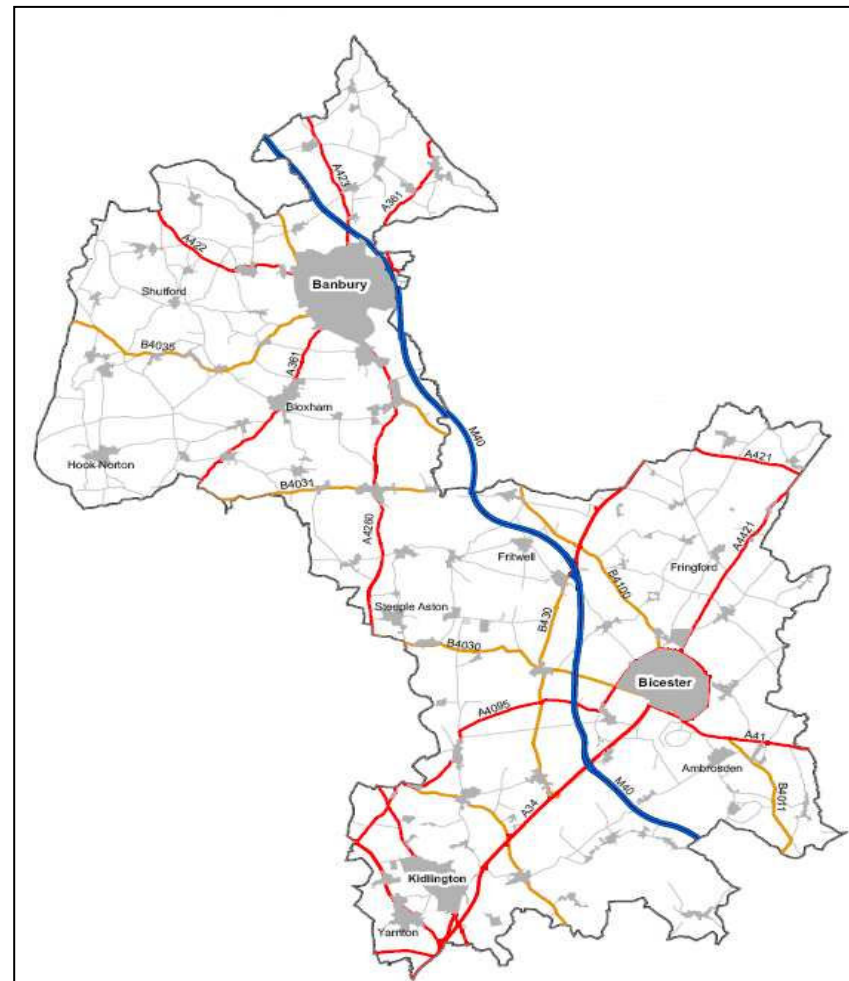
Cherwell borders Oxford City, South Oxfordshire, Vale of White Horse, West Oxfordshire, Aylesbury Vale, South Northants and Stratford on Avon Districts. The M40 passes through Cherwell and there are good rail connections to both London and Birmingham.

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.

The 2011 census data will be published during 2012 and will give us valuable new information about the district which we will continue to use to help plan our services.



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Budget Book

This document provides an overview of the 2012/13 service and financial planning process and details the 2012/13 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 :

- June 2011 – September 2012 – Service / Budget planning.
- September 2011 to January 2012 Resource & Performance Scrutiny Board
- 6th December 2012 Executive
- 6th February 2012 Executive where the draft budgets and council tax rates were recommended to Council for approval on 27th February 2012.

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 our website: <http://www.cherwell.gov.uk>



Background—The Process

The budget process formally began with the Executive issuing Budget Guidelines at their meeting on 9th September 2011, following discussion of the projected scenario for 2012/13 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 2011 through to January 2012 and managed the overall process.

The Executive received reports detailing the service and financial planning process — on September 9th 2011, December 6th 2011 and February 6th 2012, 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 2012/13 budget. This work focussed on areas of discretionary spend. The work was undertaken from September 2011 until January 2012. The recommendations of this board were taken to the Executive for consideration on 6th February 2012 and these were included in the final budget proposal.

The Executive concluded its budget deliberations on 6th February 2012 and recommended a draft budget to the Full Council.

The Full Council met on 27th February 2012 to consider and approve the budget and set council tax for the 2012/13 year.

Corporate, Service and Financial Planning Process

Service and Financial Planning Process

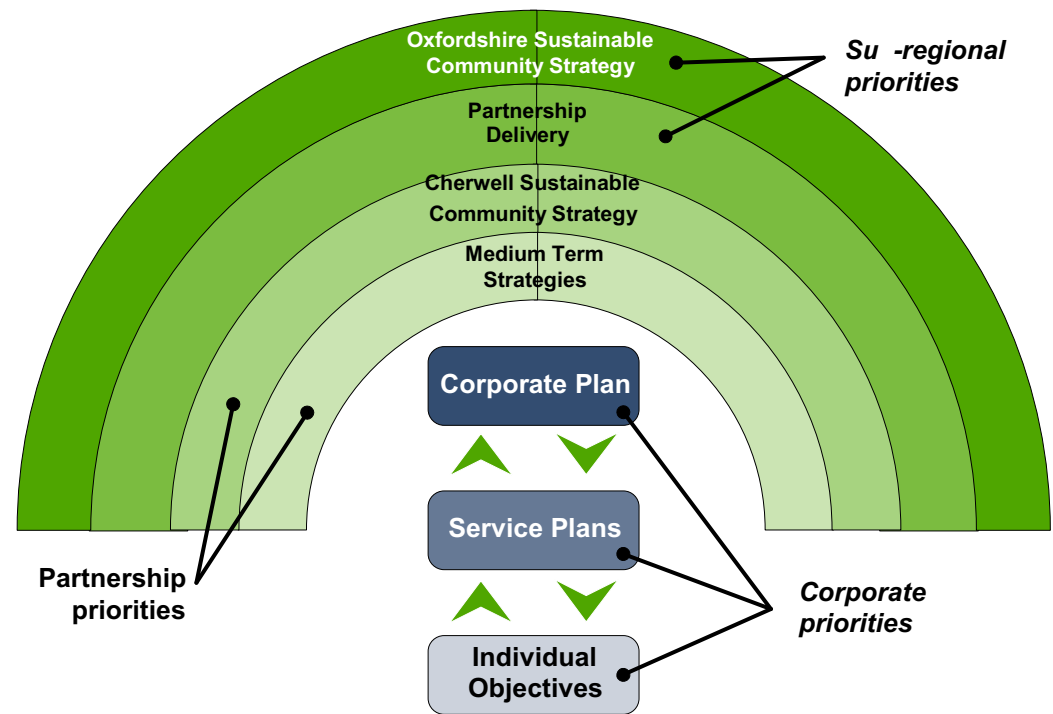
The Council has developed an integrated approach to corporate, service and budget planning. The process and timetable for developing the corporate plan and the service plans and budget that underpin it is presented in the table below.

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 2011/12 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 continues to be alignment with county wide strategies and we ensure that staff are included in the development of service plans through away days and team sessions. The council produces a 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 reviews the service plans and provides Member input into 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 and used geographic and demographic sampling to ensure a representative consultation.

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. Given the current economic climate and the expectation that councils will need to make significant savings to balance budgets it is not surprising that rates of satisfaction have fallen slightly in 2011. Given these results council continues to remain committed to improving customer service and works towards protecting frontline services by increasing efficiencies in back office functions and helping customer access available services more easily through activities such as improving the website and telephone call handling.

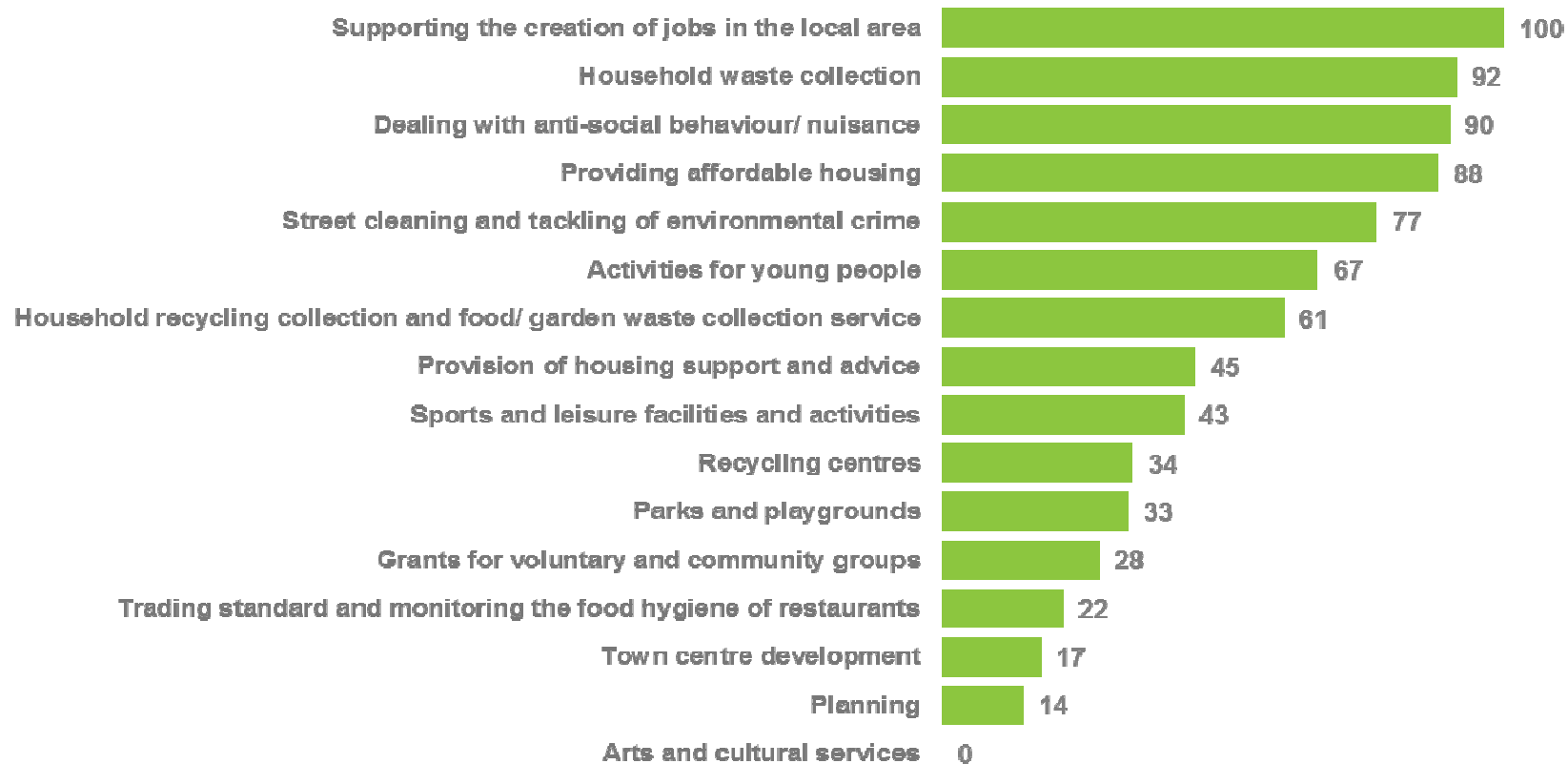
Satisfaction with Council Services (Customer Survey 2011)

* New questions for 2011

	2006	2007	2008	2009	2010	2011
Overall Satisfaction	60	65	67	67	73	68
Household recycling collection service	79	76	75	78	83	82
Dealing with anti-social behaviour/ nuisance	34	30	36	36	44	43
Refuse collection service	67	67	68	70	78	76
Street cleansing service	59	63	66	67	72	64
Local parks and open spaces	72	71	70	73	74	72
Recycling centres	77	77	83	86	87	88
Sports facilities	62	58	63	68	71	74
Dealing with environmental crime (e.g. litter /graffiti) *	N/A	N/A	N/A	N/A	N/A	42
Leisure activities *	N/A	N/A	N/A	N/A	N/A	56
Local car parking facilities	59	58	63	64	63	49

Corporate, Service and Financial Planning Process

Priority services to maintain – ranked index (Budget Survey of local residents 2011)



Service Plans 2012/13

Copies of the Service Plans for 2012/13 are available on the Council's website from the 30th April 2012.

Cherwell District Council's Budget

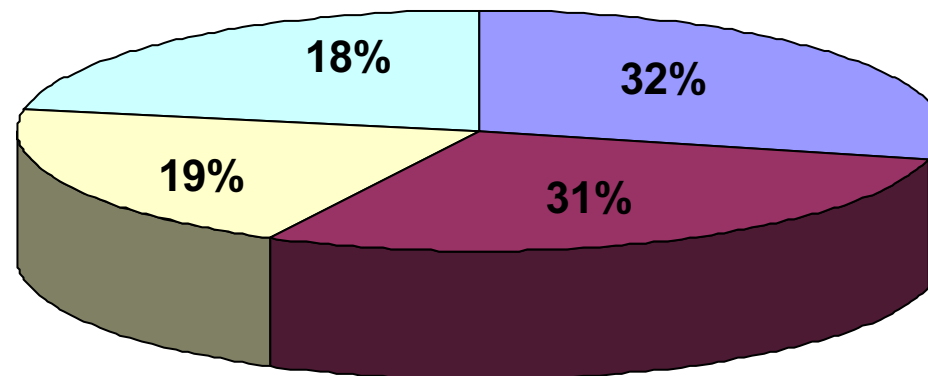
Money is spent in two ways – General Fund and Capital Investment Programme

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	2012/13 Budget	Spend per Head of Population
	£'s	£
	Net	
A District of Opportunity.	4,225,073	30.51
A Cleaner Greener Cherwell.	4,130,962	29.83
A safe, healthy and thriving Cherwell.	2,546,326	18.39
An accessible , value for money council	2,340,247	16.90
Total Net Service Expenditure	13,242,608	95.61
Centrally Controlled Items	1,416,624	10.24
Total Net Expenditure	14,659,232	105.86

Council Tax

The Council Tax bill for the 2012/13 financial year (1 April 2012 to 31 March 2013) is made up of charges from Cherwell District Council, Thames Valley Police Authority and Oxfordshire County Council.

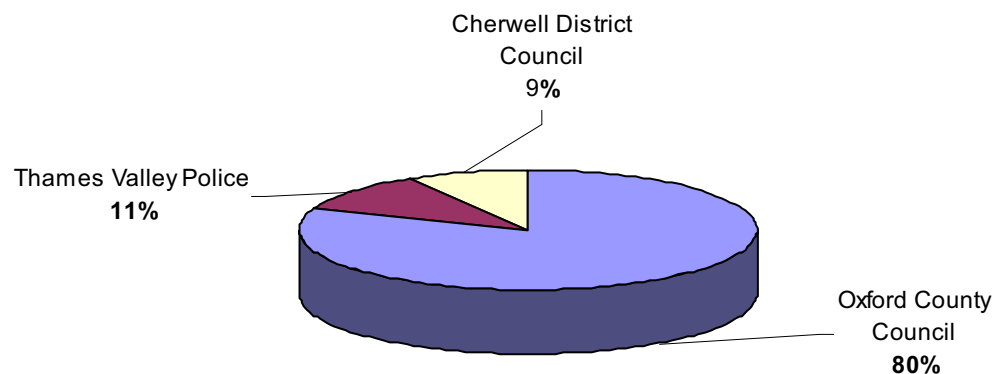
The District Council collects Council Tax on behalf of the other two bodies. The monies collected are then paid over to them in line with the amount they have included in their budget to be charged to households in the Cherwell District.

In 2012/13 the amounts are **£7,809,894.50** for the Police Authority and **£58,799,951.65** 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.

	2011/12	2012/13	£ Increase 2011/12 - 2012/13	% Increase 2011/12 - 2012/13
Council Tax Requirement - Cherwell	£6.216m	£6.251m		
Tax Base	50,337	50,615		
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 2012/13



Council Tax

Band	Value at 1.4.91	Ratio	Number of Dwellings	Cherwell District Council £	Thames Valley Police £	Oxfordshire County Council £	Combined Council Tax 2012/13 £
A	Up to £40,000	6/9	5214	82.33	102.87	774.47	959.67
B	£40,001-£52,000	7/9	14791	96.06	120.01	903.55	1,119.62
C	£52,001-£68,000	8/9	16153	109.78	137.17	1,032.63	1,279.58
D	£68,001-£88,000	9/9	10173	123.50	154.30	1,161.71	1,439.51
E	£88,001-£120,000	11/9	7092	150.94	188.59	1,419.87	1,759.40
F	£120,001-£160,000	13/9	3211	178.39	222.88	1,678.03	2,079.30
G	£160,001-£320,000	15/9	2291	205.83	257.17	1,936.18	2,399.18
H	Over £320,000	18/9	225	247.00	308.60	2,323.42	2,879.02

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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	Band D
	2012/13	Base	2012/13
	£	2012/13	£
Parish / Town			
Adderbury	£35,180	1180	£29.81
Ambrosden	£11,015	586	£18.80
Ardley	£11,320	259	£43.71
Arncott	£12,500	296	£42.23
Banbury	£1,792,477	14678	£122.12
Barford	£7,000	256	£27.34
Begbroke	£24,759	354	£69.94
Bicester	£1,021,533	10291	£99.26
Blackthorn	£10,369	146	£71.02
Bletchington	£15,000	345	£43.48
Bloxham	£56,628	1347	£42.04
Boddicote	£23,576	842	£28.00
Bourton	£8,000	298	£26.85
Broughton	£3,500	131	£26.72
Bucknell	£4,500	109	£41.28
Caversfield	£4,000	411	£9.73
Charlton on Otmoor	£5,500	195	£28.21
Chesterton	£11,500	396	£29.04
Claydon	£4,000	139	£28.78
Cottisford	£0	72	£0.00
Cropredy	£9,000	309	£29.13
Deddington	£35,431	925	£38.30
Drayton	£4,000	91	£43.96
Duns Tew	£10,597	221	£47.95
Epwell	£3,375	140	£24.11
Fencott and Murcott	£2,000	128	£15.63
Finmere	£5,500	213	£25.82
Fringford	£9,500	266	£35.71
Fritwell	£6,500	286	£22.73

	Precept	Tax	Band D
	2012/13	Base	2012/13
	£	2012/13	£
Parish / Town			
Godington	£0	20	£0.00
Gosford and Water Eaton	£17,630	544	£32.41
Hampton Gay and Poyle	£750	74	£10.14
Hanwell	£5,000	132	£37.88
Hardwick with Tusmore	£0	34	£0.00
Hethe	£4,000	117	£34.19
Hook Norton	£52,000	919	£56.58
Horley	£4,055	158	£25.66
Hornton	£5,500	165	£33.33
Horton cum Studley	£6,000	244	£24.59
Islip	£16,359	318	£51.44
Kidlington	£570,423	4963	£114.94
Kirtlington	£17,500	445	£39.33
Launton	£15,500	498	£31.12
Lower Heyford	£10,000	221	£45.25
Merton	£7,000	139	£50.36
Middle Aston	£0	65	£0.00
Middleton Stoney	£3,200	151	£21.19
Milcombe	£9,000	220	£40.91
Milton	£400	123	£3.25
Mixbury	£100	116	£0.86
Mollington	£8,250	218	£37.84
Newton Purcell	£0	43	£0.00
Noke	£2,000	78	£25.64
North Aston	£1,200	89	£13.48
North Newington	£4,500	152	£29.61
Oddington	£0	65	£0.00

	Precept	Tax	Band D
	2012/13	Base	2012/13
	£	2012/13	£
Parish / Town			
Piddington	£6,300	175	£36.00
Prescote	£0	6	£0.00
Shenington	£4,000	219	£18.26
Shipton on Cherwell	£5,000	144	£34.72
Shutford	£6,000	207	£28.99
Sibford Ferris	£5,500	191	£28.80
Sibford Gower	£6,250	250	£25.00
Somerton	£4,000	139	£28.78
Souldern	£5,700	200	£28.50
South Newington	£4,700	157	£29.94
Steeple Aston	£20,989	425	£49.39
Stoke Lyne	£2,750	104	£26.44
Stratton Audley	£5,750	209	£27.51
Swalcliffe	£5,500	109	£50.46
Tadmarton	£5,000	261	£19.16
Upper Heyford	£15,000	388	£38.66
Wardington	£10,000	243	£41.15
Wendlebury	£4,240	194	£21.86
Weston on the Green	£8,200	242	£33.88
Wiggington	£2,500	111	£22.52
Wroxton	£6,000	289	£20.76
Yarnton	£46,900	1131	£41.47

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 2012/13, £2.0m of budget reductions have been included, this includes an over achievement of the £1m Public Savings promise made when setting our Council Tax in 2011/12. Some of these reductions have been offset by other budget pressures and the net reduction is £1.2m. The council has been able to maintain Council Tax at the same level as 2011/12 through both incorporating the budget reductions detailed above and taking advantage of the second year of Council Tax Compensation Grant available from Central Government.

Summary Expenditure & Funding

	Gross Expenditure	Gross Income	Net Expenditure
Expenditure by Directorate 2012/13	£'s	£'s	£'s
Community & Environment	£14,151,033	£6,308,350	£7,842,683
Resources	£48,942,420	£44,047,904	£4,894,516
Development	£7,846,272	£3,942,143	£3,904,130
Total	£70,939,725	£54,298,396	£16,641,329
Less			
Reversal of Capital Charges			-£3,323,392
Centrally Controlled items			£1,341,295
			£14,659,232

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.

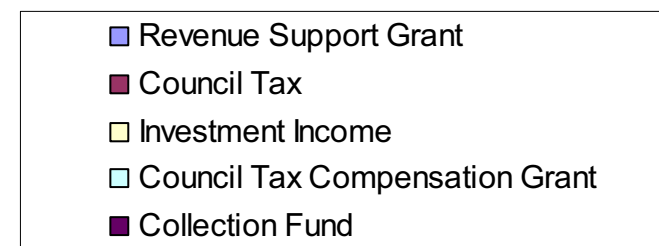
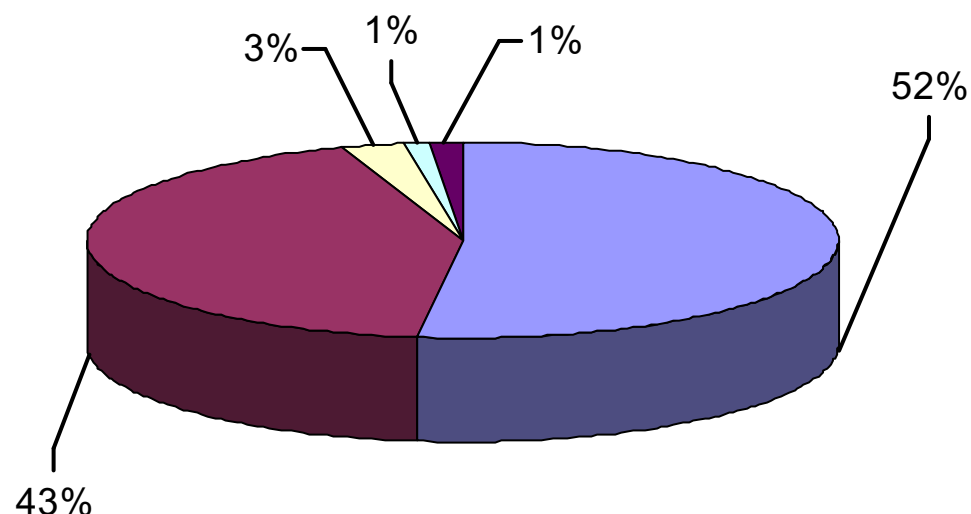
Subjective Analysis	£'s
Employees	£15,477,155
Premises	£2,306,411
Transport	£1,403,189
Supplies & Services	£3,691,994
Third Party & Transfer Payments	£49,816,164
Capital Financing	£3,323,392
Revenue Expenditure	£76,018,304
Grants	£46,041,522
Fees, Charges and Sales Income	£5,713,385
Rental Income	£1,926,121
Recharges	£4,354,653
Capital Financing	£3,323,392
Revenue Income	£61,359,072
Net Expenditure (Revenue Expenditure - Revenue Income)	£14,659,232

General Fund

The General Fund net expenditure in 2012/13 is £14.6m. 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:

FUNDING	2011/12	2012/13
Revenue Support Grant	£8,634,458	7,621,722
Council Tax	£6,216,621	6,250,953
Investment Income	£723,407	439,810
Council Tax Compensation Grant	£155,037	155,415
Collection Fund & Council Tax SPD Review	£130,417	191,332
Total	£15,859,940	£14,659,232

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Collection Fund Estimates are prepared as at the statutory date of 15 January 2012. For 2011/12 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 2011/12 Budget

The 2011/12 net revenue budget has reduced by £1.2m – a reduction of 8%.



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	£
2011/12 Base Budget	15,859,940
£1m Savings promise – Joint Working	-583,000
£1m Savings promise – VFM	-158,246
£1m Savings promise – Income	-132,000
£1m Savings promise – Procurement	-243,884
£1m Savings promise – Discretionary Services review	-115,694
Efficiencies	-641,739
Scrutiny Reviews	-136,441
New Effects	420,808
Inflation	353,551
Other – various	35,937
2012/13 Proposed Budget	14,659,232

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.

Further detail is included in the Jan and February Budget reports to the Executive.

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.

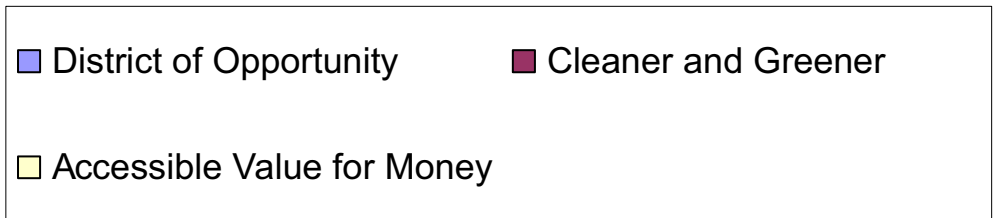
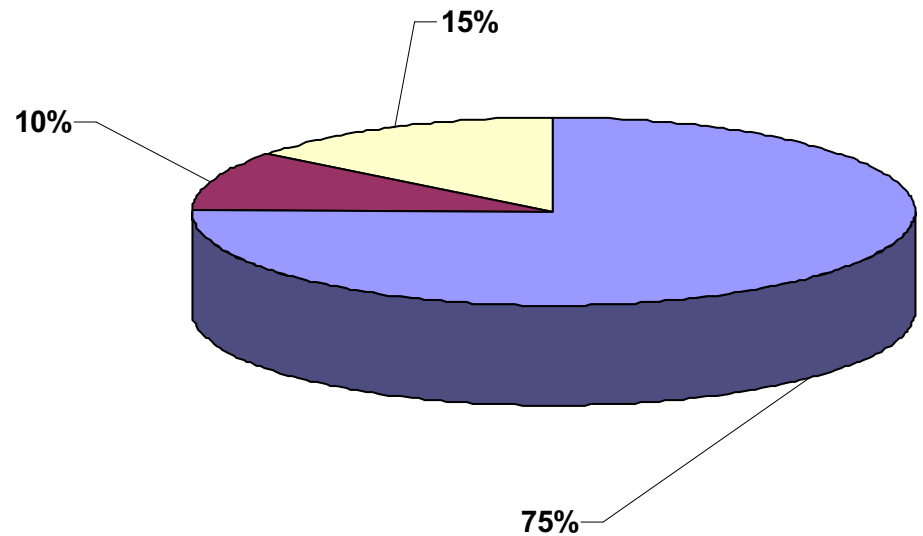
Cherwell District Council has a main Capital Investment Programme for 2012/13 with some schemes going up to 2014/15. The total cost of the strategy including capital budget slippage from 2011/12 is £18.7m of which £13.7m is planned to be spent in 2012/13. The programme is funded through a mixture of 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.

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The table below show the **new** schemes approved on the Capital Programme for 2012/13 by Strategic Priority.

	2012/13
Strategic Priority	£'s
District of Opportunity	£3,546,832
Cleaner and Greener	£480,000
Accessible Value for Money	£685,000
Total	£4,711,832



Capital Investment

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

Capital Bid Scheme Title	2012/13 £000s
Ferriston Roof Repairs	£18,500
Thorpe Way Roof Repairs	£10,000
Discretionary Housing Grants	£325,000
Mandatory Disabled Facilities Grant	£860,000
Cherwell Community Led Housing Programme	£2,333,332
District of Opportunity	£3,546,832
Recycling Bank Replacement Programme	£25,000
Environmental Services Vehicle Replacement Programme	£425,000
Environmental Improvements Grimsbury	£30,000
Cleaner and Greener	£480,000
Biomass Heating for Bicester Leisure Centre	£385,000
Energy Efficiency Projects	£80,000
ICT Infrastructure (Business Case)	£220,000
Accessible Value for Money	£685,000
TOTAL	£4,711,832

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PROJECTS GRAND TOTAL	£4,711,832
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FUNDING SOURCE	2012/13 £s
Capital Receipts	£1,164,500
Housing Reserves	£2,722,332
Disabled Facilities Grants	£375,000
Wheeled Bins Reserve	£25,000
Vehicle Replacement Programme	£425,000
TOTAL	£4,711,832



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 has been updated to consider the 2012/13 balanced budget and is summarised in the table along with assumptions.

The forecast at present shows a savings requirement of £0.8m in 2013/14 and a cumulative target for the 4 years of £5.2m. This assumes that the Council does not rely on all of its investment income to balance the revenue budget and a range of economic assumptions.

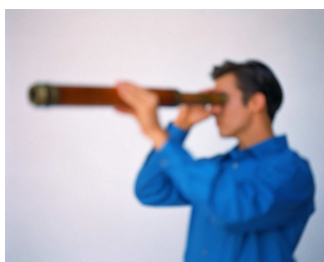
All known cost pressures are built into the model and assumptions are made for unknown pressures. This modelling leads directly to a target for cost reduction 15 months or so before the savings are required. The target to be achieved during 2012/13 is £800k and can be seen as one of our public promises.

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.

There remains considerable uncertainty about the level of local government funding from 2013/14 onwards as we await the full outcome of the local government resource review.

The next Medium Term Strategy document is due to be published by the Council in Summer 2012 and will contain a number of forecast scenarios based on modelling on the implications of the resource review and welfare reform.

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Cummulative Summary	2013-14	2014-15	2015-16	2016-17
	£M	£M	£M	£M
Net Expenditure	15.1	15.2	15.2	15.4
Gov't Grant	-7.4	-7.2	-7.1	-6.9
Council Tax	-6.4	-6.5	-6.3	-6.3
Investment Income	-0.3	-0.3	-0.3	-0.3
Collection fund	-0.1	-0.1	-0.1	-0.1
Use of Reserves	0.0	0.0	0.0	0.0
Savings requirement	0.8	1.1	1.5	1.8
Cummulative				5.2
RPI	3.00%	3.00%	3.00%	3.00%
Payroll Inflation	2.00%	2.00%	2.00%	2.00%
Interest Rate FC	1.00%	1.60%	3.30%	4.10%
Council Tax Increase	0.00%	0.00%	0.00%	0.00%
Gov't Funding Reduction	-2.50%	-2.50%	-2.50%	-2.50%

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
Projected Balance 31 March 2012	2,000

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 2012 with a further review planned in conjunction with the closing of the 2011/12 accounts in March 2012.

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.

	Forecast
Earmarked Reserves	31/03/2012
	£000's
Self Insurance / Legal Claims Reserve	-268
Hs2 Reserve	-14
Joint Working Implementation	-338
Brighter Futures Reserve Account	-20
Building Control Reserve	-47
Plant and Transport Renewals Reserve	-314
Wheeled Bins Replacement Reserve	-257
Corporate IT Contingency Reserve	-200
Planning Policy Reserve	-647
Planning Control Reserve	-710
Environmental Warranties Reserve	-1856
Hanwell Fields Reserve	-100
Licensing Reserve	-46
Corporate Change Reserve	-218
Iceland Legal Cost reserve	-22
Local Government Resource Review	-157
Total	-5214

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 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 27 February 2012.

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, 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 3**.

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



Treasury Management and Prudential Indicators

Treasury management is an important aspect of the overall financial management of the Council. 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 detailed Prudential Indicators are included within the Treasury Management Strategy taken to Council on 27th February 2012 - Agenda Item 11.

The Council is debt free and as at 31 January 2012 has **£79.8m** 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. This is presented to Council on 27th February 2012 - Agenda Item 11.



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.

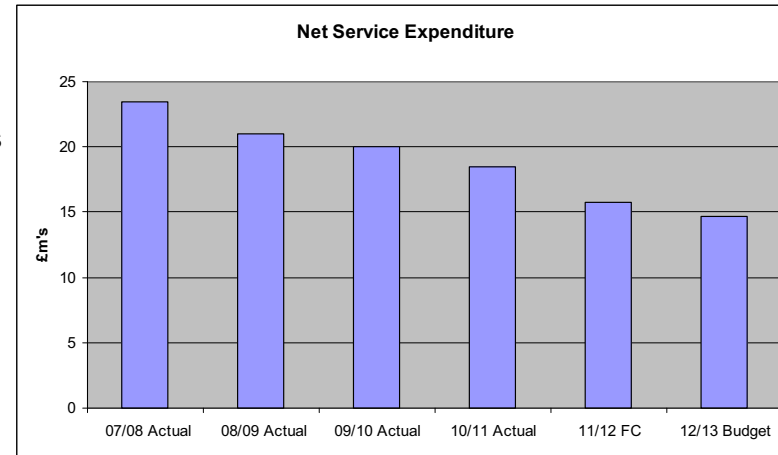
Whilst Sector provide support to the Council in these areas, the final decision on all treasury matters rests with the Council. The services received from Sector are kept under regular review.

Conclusion

The development of the budget for 2012/13 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 2011 the Council has worked hard to cut its expenditure by £7.7 million. We have continued to cut overheads while improving and protecting services. In 2012 /13 we have again reduced our budget requirement by a further £1.2m.

This represents a 38% reduction (£8.9m) over the 6 year period.



In the same 6 year period the Council has invested £80m 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 funding 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.

Collection Fund

Annex 1

CHERWELL DISTRICT COUNCIL COLLECTION FUND : REVISED ESTIMATES 2011/12

	COUNCIL TAX:		BUSINESS RATES:		TOTAL:	
	£.dp		£.dp		£.dp	
(SURPLUS)/ DEFICIT AS AT 1 APRIL 2011						
Oxfordshire County Council		(686,981.84)	0.00			(686,981.84)
Thames Valley Police Authority		(91,243.11)	0.00			(91,243.11)
Cherwell District Council/ODPM		(120,157.22)	0.00			(120,157.22)
		(898,382.17)	0.00			(898,382.17)
SURPLUS/ (DEFICIT) FOR PREVIOUS YEARS(S):						
Re: Revised Estimates						
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	130,417.70		0.00			130,417.70
	975,124.78		0.00			975,124.78
INCOME FOR THE YEAR:						
Income From Council Tax	(70,249,389.09)		0.00			(70,249,389.09)
Council Tax Benefits Contribution	(7,342,392.22)		0.00			(7,342,392.22)
	(77,591,781.31)		0.00			(77,591,781.31)
Income From Non-Domestic Rates	0.00		(63,865,986.02)			(63,865,986.02)
		(77,591,781.31)		(63,865,986.02)		(141,457,767.33)
TOTAL INCOME FOR THE YEAR						
EXPENDITURE FOR THE YEAR:						
Precepts and Demands:						
Oxfordshire County Council	58,476,996.27		0.00			58,476,996.27
Thames Valley Police Authority	7,766,999.00		0.00			7,766,999.00
Cherwell District Council: General Purposes	6,216,621.00		0.00			6,216,621.00
Cherwell District Council: Town & Parish Council Precepts	4,012,799.00		0.00			4,012,799.00
	76,473,415.27		0.00			76,473,415.27
Non-Domestic Rates:						
Payment To National Pool	0.00		63,645,999.52			63,645,999.52
Cost of Collection Grant	0.00		219,986.50			219,986.50
	0.00		63,865,986.02			63,865,986.02
Provision For Appeals and Non-collection	67,815.00		(421,208.00)			(353,393.00)
Write off of Bad Debts	128,159.47		941,453.47			1,069,612.94
	76,669,389.74		64,386,231.49			141,055,621.23
TOTAL EXPENDITURE FOR THE YEAR						
(SURPLUS)/ DEFICIT FOR THE YEAR						
		(1,118,366.04)	0.00			(1,118,366.04)
DIVISION OF (SURPLUS)/ DEFICIT FOR THE YEAR						
Oxfordshire County Council						
		(855,181.98)	0.00			(855,181.98)
Thames Valley Police Authority		(113,586.50)	0.00			(113,586.50)
Cherwell District Council/ODPM		(149,597.55)	0.00			(149,597.55)
		(1,118,366.03)	0.00			(1,118,366.03)
(SURPLUS)/ DEFICIT AS AT 31 MARCH 2012						
		(1,041,623.43)	0.00			(1,041,623.43)
DIVISION OF (SURPLUS)/ DEFICIT AS AT 31 MARCH						
Oxfordshire County Council						
		(796,499.14)	0.00			(796,499.14)
Thames Valley Police Authority		(105,792.16)	0.00			(105,792.16)
Cherwell District Council/DTLR		(139,332.13)	0.00			(139,332.13)

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. The council's consultation strategy also aims to ensure we undertake effective 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 satisfaction 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, Economic Development and Regeneration.
2	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, 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, Arts, Diversity & Equality.
7	Landscape, Banbury Museum, Tourism, Licensing.

Corporate Plan 2012/13

Cherwell District Council's corporate plan is in its final year and will be fully reviewed during 2012/13. The updated plan for 2012/13 outlines the Council's priorities 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, some targets are currently outstanding and will be set by 31st march 2012..

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 focusing on homelessness prevention and housing advice at current levels of performance</p> <p>Work with our partners to reduce the number of young people not in education employment or training across the district</p> <p>Support local people into work (job clubs and apprenticeships) and prepare for the impact of the Government reform to welfare and the benefits system</p> <p>Deliver the Brighter Futures in Banbury programme</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%</p> <p>Reduce the amount of waste sent to landfill</p> <p>Maintain the current high levels of customer satisfaction with our recycling and waste collection services</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</p> <p>Work with partners to maintain already low levels of crime in the district</p> <p>Work with partners and businesses to support public health, safety and environmental protection</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>Develop and implement an effective approach to address the financial impact of Government welfare reform</p> <p>Understand and plan for the implications of the Local Government Resources Review specifically the changes to localisation of business rates and council tax benefit</p> <p>Secure savings of £800 - £1m taking account of the national changes to Local Government Funding</p> <p>Ensure the Council's budget is matched to strategic priorities demonstrating and promoting the Council's commitment to value for money and effective service delivery.</p>
<p>Balance economic development and housing growth.</p> <p>Deliver x - TBC new homes including through planned major housing projects</p> <p>Deliver 100 affordable homes in the district</p> <p>Promote local economic development through business advice and support, inward investment and the Local Enterprise Partnerships</p> <p>Progress the Community Housing Project with HCA investment partner (31 dwellings in 12/13)</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</p> <p>Work with local communities to continue the programme of neighbourhood litter blitzes</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</p> <p>Support volunteering across the district</p> <p>Adopt an integrated community development approach to ensure the Council's provides value for money and addresses local need</p>	<p>Work with partners to reduce Council costs.</p> <p>Implement/embed shared back office systems and services to secure efficiencies</p> <p>Implement a shared ICT service</p> <p>Explore further opportunities with partners to share or provide services, reducing costs and maximising income</p>

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>Develop a robust and locally determined planning framework.</p> <p>Complete a draft of local development framework for the district and submit for adoption</p> <p>Prepare an Infrastructure Plan for Cherwell District and prepare for introduction of Community Infrastructure Levy</p> <p>Secure implementation of new policy for Developer contributions</p> <p>Protect and enhance the quality of the built environment by completion of Conservation Area Reviews and strong design guidance for all new developments</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 4% (includes buildings, fleet mileage etc.)</p> <p>Work with partners to improve the energy efficiency of homes and enable more residents to achieve affordable energy bills</p>	<p>Provide good quality recreation and leisure opportunities in the district.</p> <p>Progress the South west Bicester sports pitches</p> <p>Maintain current levels of visits/usage to district leisure centres</p> <p>Establish the Trust arrangements to secure the long term future of Banbury Museum and maintaining access for the community</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, and promote understanding, accountability and opportunity</p> <p>Consult with local residents in a cost effective manner to ensure the Council has a good understanding of local priorities</p>
<p>Work to improve the quality and vibrancy of town centres and urban areas.</p> <p>Progress the commercial development of Bicester Town Centre and consider the plans for development of the community building</p> <p>Complete a Masterplan for Bicester</p> <p>Progress the Canal side Regeneration programme in Banbury and redevelopment of the Bolton Road area in Banbury.</p>	<p>Work with partners to support the development of Eco-Bicester as a national exemplar, creating a vibrant place where people choose to live, to work and spend their leisure time in sustainable ways.</p> <p>Work with partners progress the delivery of the vision for Eco-Bicester</p> <p>Start work on site for the initial housing development at NW Bicester</p> <p>Ensure continued opportunities for local people to participate in the Eco-Bicester programme</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</p> <p>Support the local NHS to retain and develop health services at the Horton General Hospital</p> <p>Continue to support new and improved health services in Bicester and the surrounding area</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</p> <p>Improve levels of satisfaction with and access to information provided by the Council</p> <p>Improve access to our services and advice by increasing online payment and service options</p>

Pledges 2012/13

A District of Opportunity

- Continue to support skills development, apprenticeships and job clubs in order to reduce the number of young people not in education, employment or training.
- Deliver 100 affordable homes in the district and support opportunities for self build and developing self build skills
- Continue to strengthen the leisure and retail facilities in Banbury and Bicester town centres.
- Complete the local plan as the foundation for economic growth in the district.

A Cleaner, Greener District

- Increase the household recycling rate to 60%
- Improve local residents' satisfaction with street and environmental cleanliness continuing our successful programme of neighbourhood litter blitzes.
- Reduce the Council's carbon footprint by 4% by further improving the energy efficiency of our buildings and vehicles.
- Continue to give Cherwell residents the opportunity to take advantage of low cost, discounted insulation until the new Green Deal replaces discount funding.
- Begin construction of eco-Bicester houses.

A Safe, Healthy and Thriving District

- Continue working with our partners to provide support to the most vulnerable individuals and families in the district.
- Support the local health sector in building a new community hospital in Bicester
- Complete the lay out of the sports pitches at the South West Bicester sports village and finalise plans for the pavilion.
- Inspire young people to take up new sporting opportunities offered throughout the district during the Olympic year.
- Work with the local police and licence holders to roll out the 'best bar none' scheme which will help make our town centres safer in the evenings.

A Value for Money Council

- Secure savings of at least £800,000 to help meet the medium term financial deficit
- Improve levels of customer satisfaction with our services.
- Continue to improve our website and the ease of accessing our services and giving feedback online.

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 specific risk reserve of £267k is held and a 1% general contingency budget of £145,000. These together with specific economic and general fund reserves have been included in 2012/13 to meet any adverse financial effects which may arise from these, or any other,

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 and Incremental Increases	£14.0m total costs	2	3	6	1% pay increase = £140k. Budget assumption = 1.5%	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. 2012/13 pay increase agreed prior to Budget setting. Increments due to be paid from Oct 2012 once scheme is in place.
Vacancy Drag	£14.0m 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 £135k of salary costs not expected to be utilised and therefore used to offset risk.
Interest Rates	£0.4m 12/13 budget	2	4	8	Reinvestment assumed at 1% - 0.25% decline would present a shortfall of ~ £100k however not all investment income to be received is built into the base budget.	Large cash variance from small rate changes. Large fluctuations in bank base rate.	Use of professional advisers Elimination of dependency on investment income in MTFS model using general fund reserves to offset impact specific interest rate reserve.
Investments	£70m FC 31/03/12	1	4	4		Financial institutions going into administration. Iceland recovery action	Investment strategy has been tightened up and regular monitoring continues.

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	£39k	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 marginally during 2011/12.	Regular monitoring and specific risk reserve.
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 changed in 2011/12 and additional claims were made. This provided a reliable base but risk around amount of joint working mileage.	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	£5.7m	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	£7.7m	2	3	6	£77k 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 during 2012/13.
Pensions	The increasing deficit	4	4	16	Revaluation took effect in 2011/12	Deficit on County Fund. Future Actuarial results.	Up to date staff profile Review as part of MTFS refresh
General Budget Provision	1% of net expenditure £145k	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 2012/13.

2012/13			
	Gross Expenditure	Gross Income	Net Expenditure
Expenditure by Directorate	£'s	£'s	£'s
Community & Environment	£14,151,033	£6,308,350	£7,842,683
Resources	£48,942,420	£44,047,904	£4,894,516
Development	£7,846,272	£3,942,143	£3,904,130
Total	£70,939,725	£54,298,396	£16,641,329
Less			
Reversal of Capital Charges			-£3,323,392
Centrally Controlled Items			£1,341,295
			£14,659,232

The following pages show each of the directorates in more detail - at Service Level. They also include the Key Objectives and Issues facing those directorates for 2012/13.

COMMUNITY & ENVIRONMENT DIRECTORATE

COMMUNITY & ENVIRONMENT DIRECTORATE

Budget
2012/13

TOTAL BUDGET

£7,842,863

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 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 two service groups of Community and Environment. 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 2012/13

- 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 on going support to older peoples' groups and interagency work to ensure maximum benefit to local people
- There will be a need to continue the Council's support to retain and develop services at the Horton General Hospital and the re provision of improved Bicester Hospital services but in the context of the health sector reforms
- Due to the reduced future public sector funding available to the Council, 2012/13 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 2012/13

- There will be further potential for change in the structure of the Council and therefore the Directorate as part of the shared senior management structure with South Northants Council as a means of delivering financial savings
- 2012/13 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.

COMMUNITY & ENVIRONMENT (Administration)

Key Objectives 2012/13

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

Key Issues 2012/13

- 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.

COMMUNITY SERVICES

Key Objectives 2012/13

Leisure

- Olympics: Celebration and legacy targets
- Increase income/participation in holiday activity programmes
- Secure funding for fixed term R&H posts
- Improve profitability at TIC/ Museum shop
- Public art for major developments – SW NW Bicester and Town Centre
- Improve working with Early Intervention Hubs
- Progress a Trust body for Banbury Museum.

Customer Services

- Telephone answering within 1 minute target
- Reduction in abandoned call levels
- Reduce avoidable contact through right first time reviews.

Community Safety

- Work in partnership to deliver TVP/CDC crime and disorder priorities
- Support youth provision
- Implement policy/ procedures of PCC
- Deliver actions from CSCP plan
- Continue to reduce CCTV revenue costs
- Develop street wardens portfolio through accreditation.

Parking

- Management and operation of the District's off street parking
- Enforcement of Parking Orders
- Administration of Excess Charge Notices
- Bicester Residents Parking

- Supervision of Banbury Bus Station
- Monitor compliance with street trading licenses
- Co-ordinate the monitoring and maintenance of Banbury and Bicester hydraulic bollard systems
- Collect monies from public conveniences
- Manage Exemption Certificates for Banbury and Bicester pedestrian areas and highways bollards
- Manage Season Ticket Scheme.

Rural and Countryside & Community

- Walks & rides portfolio – maintain, promote & improve accessibility
- Planning Applications – respond to consultations on ecology & PROW within timescales
- Community development – continued support to community assoc. in Banbury & Bicester
- Biodiversity – Update & deliver BAP targets through partnership working
- Parish Liaison - deliver successful meetings in June & November
- Voluntary Orgs Forum - deliver successful meetings in May & December
- Countryside Forum – Deliver successful forum in September
- Rural Community Development – renew & monitor ORCC SLA.

Key Issues 2012/13

Leisure

- Maintain quality of Joint Use facilities without capital investment
- Continue to increase participation levels at Joint use sites to meet income targets as they reach booking capacity
- Support SBMC management of Stratfield Brake
- Meet carbon emissions reduction target within leisure facilities
- Maintain performance of leisure facilities as we come out of the SCM 'honeymoon' period to ensure a positive year 5 benchmarking level is achieved
- Secure funding for Phase 3 of the Bicester Sports Village
- Establish Management arrangements for SW Bicester Sports Village, including revenue support through the Town Council.

Customer Services

- Moving contact to cheaper channels
- Reduce costs through the VFM review
- Maintaining performance with less resources
- Move from Market Square Bicester into Bicester town centre development
- Transfer of new services
- The implementation of new website and maintenance of accurate content management with service managers
- Further development of telephony system to increase performance.
- Review of Link Points.

Community Safety

- Implementation of PCC policy /procedures
- Influence local policing through PCC and CSP
- Influence PCC through CSP and OSCP
- Develop CSP partnership with SNC
- Reduce CCTV costs
- Continue CCTV updates and expansion through new development
- Review outer Bicester CCTV ring with spend to save through capital budget
- Review CCTV Kidlington provision
- Conduct feasibility tests with CCTV in SNC
- Develop street wardens within CDC and explore possibilities with SNC.

Parking Services

- Banbury Residents Parking

- Implementation of Civil Parking Enforcement
- Ticket Machine Replacement
- Fees and Charges Review and implementation of any changes.

Rural and Countryside & Community

- Continuance of Ecology Officer post
- Development of LSP & relationship of partners to Sustainable Community Strategy (SCS).
- CDC lead on developing localism / big society agenda (e.g. new community rights to buy, bid, build)
- Bicester Shopmobility post Town centre redevelopment.

ENVIRONMENTAL SERVICES

Key Objectives 2012/13

- 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 2012/13

- 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. This should include the potential of closer working with South Northamptonshire Council
- 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.

RESOURCES DIRECTORATE

RESOURCES DIRECTORATE

Budget 2012/13

TOTAL BUDGET

£4,894,516

Overview of the Directorate

The directorate exists to provide comprehensive resource management services, delivery of an effective corporate governance framework, legal, finance, procurement, democratic, revenues, benefits and elections services.

The directorate also provides all HR and ICT services, internal and external communications, staff training and development, business planning and the provision of management information, as well as all performance and programme management.

The directorate has responsibility for driving forward the transformation agenda and all of the professional support services associated with that key objective.

Key Objectives 2012/13

- Deliver the medium term financial strategy
- Manage the benefits contract to ensure the delivery of a high quality service
- Support the transformation agenda
- Deliver elections including for the new police and crime commissioner
- Implement a shared ICT service
- Ensure that we continue to apply the highest standards of governance and the correct stewardship of public funds across the Council
- 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.

Key Issues 2012/13

- Addressing the implications of emerging policy and legislation including localism, the local government finance review, the impact of benefits changes on residents etc
- Maintaining performance in the light of significant organisational change and reducing resources
- Driving forward the transformation agenda.

FINANCE & PROCUREMENT

Key Objectives 2012/13

- Providing value for money for customers and taxpayers by focusing our services around customers needs
- Production of high quality 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, timely and meets the requirements of the transparency agenda
- 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
- 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
- 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.
- Working with our partners to obtain top quartile performance in our benefits performance particularly new claims and subsidy.
- Effective management of the Capita Revenues and Benefits contract
- Regular contractual negotiations resulting in performance rewards or penalties
- Working with Capita to develop and deliver a service delivery improvement plan
- To have well-trained and knowledgeable staff, able to provide an efficient and professional service to the Council, partners and its customers.

Key Issues 2012/13

- Implementation of joint corporate finance, procurement, debt recovery and income management function embracing technology in any service redesign.
- Analysis and modelling of the impact on Council finances and service design as a result of the LGRR, Welfare Reform and Localism Act
- Upgrading of the Council's financial information systems to enhance joint working, remove duplication and embrace innovation.
- Delivery of a joint procurement strategy and associated action plan.
- Continue to make it easier for local businesses to trade with us.
- Improve contract management knowledge via user manual & workshops
- 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
- Preparation of business case for further shared functions, smooth implementation and achievement of objectives if approved.
- MTFs forward looking and addressing funding reductions.
- Financial support for all corporate projects and governance of funding streams.
- Delivery of the 2012/13 budget through effective monitoring, improved dashboard and proactive approach to budget reductions.
- Support the implementation of further joint working opportunities.
- Manage the transition to a new internal audit provider at South Northamptonshire
- Manage the implications of the demise of the Audit Commission in external audit provision.

LAW & GOVERNANCE

Key Objectives 2012/13

- To provide a high quality legal service at low cost
- To ensure the Council acts lawfully at all times
- To deliver a cost effective, accessible, and accurate land charges service

- To deliver legally robust elections without petition
- To deliver accurate and up to date electoral registers to statutory timetable
- To ensure the procedural and legal propriety of Elected Member decision making.

Key Issues 2012/13

- Volume of emerging new legislation and ensuring corporate compliance with a stretched team
- Preparation of business case for shared team and smooth implementation and achievement of objectives if approved
- Budgetary challenge of providing continued, mandatory, land charges service given potential abolition of fees
- Support of two democratic processes across two sites with a reduced combined team
- Administering elections across two regions/constituencies/districts.

TRANSFORMATION

Key Objectives 2012/13

- A full review of CDC's corporate priorities and a new council business plan
- Implement and embed a shared ICT service
- Implement other shared teams where appropriate
- Implement and embed the new shared risk and business continuity strategies
- Implement and embed the shared approach to programme and project management
- Delivery of a single approach to business and financial planning that ensures effective planning and enables each council to set its own priorities and retain clear sovereignty
- Implement and embed at all levels a standard approach to project governance, resource planning and project delivery management
- Deliver effective human resources and training services.

Key Issues 2012/13

- Capitalise on the Community Intelligence Hub software as a potential revenue source
- Provision of programme support to the ambitious place programme
- Harmonising and improving business processes to improve efficiency (e.g. finance, human resources, communications, performance and risk)
- Embedding shared business processes and driving out efficiencies through shared teams
- Identifying new opportunities for sharing e.g. confederacy approaches
- Delivering against the on-going savings requirements
- Impact of new government policy on community engagement activities (e.g. localism/community based budgets and neighbourhood planning)
- On-going challenge to reduce budgets in the light of nation funding decisions.

DEVELOPMENT DIRECTORATE

DEVELOPMENT DIRECTORATE

Budget
2012/13

TOTAL

£3,904,130

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. In addition all aspects of development management building control, regulatory services, environmental health, pest control and emergency planning are provided by the directorate.

Key Objectives 2012/13

To secure the aims and objectives set by the Council the Development Directorate will work to help to shape the future of the district its towns and villages, by securing growth and sensitive development. Whilst not only responding to the needs of local businesses and the current economic pressures but also preserving what is special about the natural environment and helping to ensure that our communities are sustainable and attractive places to live.

Key Issues 2012/13

- Localism and neighbourhood planning, changes to the national planning regime, planning fees etc
- The delivery of major regeneration / development projects such as Eco-Bicester, Bicester Town Centre Redevelopment and housing initiatives
- Delivery of services within constrained resources impacting both council services and the economic well being of the district.

DEVELOPMENT DIRECTORATE (Administration)

Key Objectives 2012/13

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

Key Issues 2012/13

- 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.

PUBLIC PROTECTION & DEVELOPMENT MANAGEMENT

Key Objectives 2012/13

Development Management (CDC)

- Progressing active major developments
- Continued response to HS2 Consultation/impacts
- Implementing changes to the national planning fee regime to allow local fee setting (requires revisiting VFM review 2010)
- Review Pre-application process
- Prepare and introduce Development Management/Environmental Health/Planning Policy protocols.

Environmental Protection (CDC)

- Promote responsible dog ownership, including managing the delivery of dog waste bags to members of the public and liaison with local kennels for receiving of and re-homing of stray dogs
- Develop an action plan for the Air Quality Management Area in Hennef Way
- Carry out close monitoring and possible declaration of further Air Quality Management Areas in a small number of locations in Banbury and Bicester where air quality results are a concern.
- Proactively investigate potentially contaminated land sites and improve the information relating to contaminated land and air quality available through website
- Develop action plan from completion of report on risk assessment of naturally occurring arsenic
- Assess direction of Pest control contract and services, which may include tendering process.

Licensing (CDC)

- Maintaining licensing services to meet customer needs and expectations
- Finalise and Implement the updated Sex Establishment Policy
- Review, consult on and implement CDC's Gambling Act 2005 (GA05) Statement of Licensing Principles
- Implementation of amendments to Licensing Act 2003 (LA03) as a result of the Police Reform & Social Responsibility Act 2010 (PRSRA10)
- Further to a request from the Taxi Trade carry out Taxi Tariff Review.

Anti-Social Behaviour (CDC)

- Continue to reduce the number of people who fear crime and feel unsafe in their area, tackling incidences of ASB and building confidence in the police and local authority
- Introduce the Best Bar None scheme in partnership with Thames Valley Police.

Public and Environmental Health (CDC)

- Maintenance of the Food Hygiene, Health & safety, Private Water Supply and Caravan Sites inspection programmes and supporting businesses through the recession
- Maintaining a high profile Primary Authority Partnership with Sainsbury's.

Development Services (SNC)

- Make appropriate responses to pre-application enquiries and planning applications. Continue to implement national and local planning guidance in respect of renewable energy and sustainable construction
- Review existing work practices in relation to trees and hedges
- implement the outstanding elements of the Development Management Improvement Action Plan
- Progressing active major developments
- Implementing changes to the national planning fee regime to allow local fee setting.

Environmental Health (SNC)

- Carry out detailed modelling of air quality in areas identified as high risk based on development pressures, existing data and significant levels of exposure
- Continue to work with partners to improve air quality in Towcester
- Carry out work to raise income and look for efficiencies which will reduce the cost of the Pest Control Service

- Maximise customer service by increasing web self service; mobile working; e payments etc ;utilising IT; increase electronic access and storage
- Maintenance of the Food Hygiene, Health & safety, Private Water Supply and Caravan Sites inspection/intervention programmes and supporting businesses through the recession.
- Liaise with Local Better Regulation Office to seek potential Primary Authority partner
- Licensing Team will work with licensed trade and other partners to target enforcement and to introduce awareness raising scheme through responsible landlords scheme.

Business Support (SNC)

- Expand competencies in crystal reporting Latest version of Crystal reporting software to be purchased and training undertaken as soon as possible after upgrade of Environmental Health software to M3PP V8.14
- Ensure detailed procedures and standard reports available for critical reactive work.

Building Control (Shared)

- Maintain service within budget and respond flexibly to fluctuations in service demand
- Review fee schedule to ensure continuing market share and profitability
- Prepare and implement updated marketing strategy
- Investigate IT investment to increase mobile working.

Corporate Health and Safety (Shared)

- To ensure that both Councils meet the requirements of the Health and Safety at Work etc Act 1974 and the associated legislation
- To continue to reduce the number of work related accidents and time lost that both Councils currently experience
- To integrate the health and safety policies and working procedures as far as is reasonably practicable.

ALL

- To proactively seek further efficiencies and opportunities for further shared service arrangements that help to maintain or enhance current provision at no additional cost or which achieve cost savings/additional income
- Sustain overall performance and customer service.

Key Issues 2012/13

- To address and adapt to changes in planning legislation affecting the Service (e.g. Localism Act, Community Infrastructure Levy, Renewable Energy, Planning Performance Agreements, Planning Fees)
- Further changes to Licensing Act 2003 are likely, which will result in further requirement for policy review, consultation and implementation
- Full review of Street Trading provision across the district as a result of various town centre redevelopment and pedestrianisation schemes in each of the 3 urban centres
- Potential reduced funding allocation from ASB partners
- In the light of government deregulation initiatives, develop intervention packages that are attractive for businesses
- introduction of mobile working
- Retain market share and market volume for building control in the face of increasing competition and, at present, reducing development activity.

Key Objectives 2012/13

Conservation

- Develop a conservation strategy for the Grand Union Canal and the Oxford Canal (with Cherwell Council)
- Prepare 17 new Conservation Area Assessments
- To prepare and consult on a local list of Buildings at Risk
- Preparation of heritage technical reports (Stonework, pointing, windows and doors, thatching, insects and rot etc)
- Consideration of appropriate planning applications within prescribed timescales (Listed Building)
- Responses to Development Control consultations with 21 days or prescribed timescales.

Economic Development

Complete the revised Economic Development Strategy for 2012-2015 with an action plan focusing on the following -

- Continue and enhance the work of our Jobs Clubs and working with employers to develop the Jobs Match service to meet their employment needs
- Work with investors to secure the best mix of business on major development sites in the District. This will include the development of an inward investment guide featuring key development sites within the District
- Utilising LABGI and developer contributions to improve the appearance and viability of town centres through initiatives such as a public realm, new shop front grant scheme and town centre management
- Work with local business and retailers to provide advice and training in the aftermath of reduction in Business Link services
- Audit rural commercial premises and update and improve property search facility
- Work with developers of employment sites to support local labour initiatives and procurement opportunities to maximise local benefit to development.

Planning Policy

- Work to secure a 'sound', adopted Local Plan
- Begin to review all Village confines and the location of confines in villages where they do not currently exist
- Begin preparation of local Development Management Policies Document
- Ensure the delivery of a robust five year supply of housing land across the District through both planning application and appeal process
- Ensure the District has prepared for the introduction of the planning reforms which the Localism Act and NPPF will introduce
- Work with those communities interested in pursuing Neighbourhood Plans
- Complete the introduction of the SPD for renewable energy
- Preparation of interim guidance on Affordable Housing (with Strategic Housing)
- Responses to Development Control consultations with 21 days or prescribed timescales
- Responses to Pre- Application enquires within prescribed timescales
- Monitoring of S106 agreements
- Contribute to Gypsy and Traveller Assessment update (with West Oxon and CDC)
- Monitor progress of the LDF and contribute to the Annual Monitoring Report.

Transport

- Engage in the consultation on the safeguarding of land for the HS2 project
- Engage in the consultation on the environmental impact of the HS2 project
- Work with 51M, HS2 Action Alliance, SNAG etc to ensure that the districts of South Northamptonshire and Cherwell benefit from the wider knowledge, research and expertise amongst partners on the HS2 project

- Prepare a case for substantial mitigation for affected landholders, businesses and communities
- Engage in the forthcoming DfT Rail Command Paper consultation on high speed rail, fares and franchise arrangements
- Work with Cherwell District Council to improve Junction 10 on M40.

REGENERATION & HOUSING

Key Objectives 2012/13

Regeneration:

A significant amount of resources are currently committed towards the redevelopment of the town centres of Bicester and Banbury. Work commenced in Bicester in late January 2012 on a new supermarket, cinema and retail centre and work will continue throughout the year to complete the work in the Autumn of 2013. Further work is being developed for a new civic facility, including a new library, with ancillary retail units in Bicester to start on site in late 2013. In Banbury work continues to develop plans or regeneration initiatives at the Old Spiceball site and Bolton Road.

The team also maintains the councils main operational buildings.

Key Issues 2012/13

- Ensure that the Sainsbury, cinema and retail development in Bicester progress expeditiously and without delay or significant inconvenience to the Town and its users
- Develop plans for major redevelopment sites at Bicester and Banbury, specifically
 - Eco Town, Bicester
 - Old Spiceball site, Banbury including suitable flood alleviation plans
 - Bolton Road SPD, Banbury
 - Lincoln House area, Banbury
- Let space in Old Bodicote House to the private or public sector
- Maintain existing council buildings for operational needs and maximise their efficiency

Housing:

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 2012/13

- 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. To take account of changes arising from the Localism Act
- Manage welfare reform and declining funding for supported housing also present challenges Casework demand is expected to rise steadily over the next few years
- Delivery of new affordable housing to high sustainable standards 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)

- Implement 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)
- Initiatives such as iBuild and the delivery of eco homes will support the Governments national commitments and assist with gaining more external funding
- Support to vulnerable and disabled people in the private rented sector and to continue to provide Disabled Facilities Grants and Essential Repair Grants
- To continue to reduce fuel poverty and improve energy efficiency in residents homes whilst investigating the Green Deal
- Licensing Houses in Multiple Occupation, taking necessary enforcement action and implementing a new Empty Homes strategy
- To continue to support the relationship with Registered Providers.

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

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.

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.

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