

**Committee:** Executive  
**Date:** Monday 1 October 2012  
**Time:** 6.30 pm  
**Venue** Bodicote House, Bodicote, Banbury, OX15 4AA

### **Membership**

<b>Councillor Barry Wood (Chairman)</b>	<b>Councillor G A Reynolds (Vice-Chairman)</b>
<b>Councillor Ken Atack</b>	<b>Councillor Norman Bolster</b>
<b>Councillor John Donaldson</b>	<b>Councillor Michael Gibbard</b>
<b>Councillor Tony Ilott</b>	<b>Councillor Nigel Morris</b>
<b>Councillor D M Pickford</b>	<b>Councillor Nicholas Turner</b>

## **AGENDA**

**1. Apologies for Absence**

**2. Declarations of Interest**

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

**3. Petitions and Requests to Address the Meeting**

The Chairman to report on any requests to submit petitions or to address the meeting.

**4. Urgent Business**

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

5. **Minutes** (Pages 1 - 10)

To confirm as a correct record the Minutes of the meeting held on 3 September 2012.

## **Strategy and Policy**

6. **Banbury Masterplan Progress Report** (Pages 11 - 18)

**6.35 pm**

Report of Head of Strategic Planning and the Economy

### **Summary**

To receive a report and associated presentation on the development of the Banbury Masterplan.

The presentation will be given by representatives of WYG, the consultants appointed to prepare the Banbury Masterplan.

### **Recommendations**

The Executive is recommended:

- (1) To consider the issues that have informed the preparation of the Masterplan for Banbury and to note the progress being made.
- (2) To receive a presentation by WYG.
- (3) To consider proceeding to public consultation and completion of the Masterplan.

7. **Oxford Canal Conservation Area Designation** (Pages 19 - 26)

**7.05 pm**

\*\* Please note that the appendix to this report, Oxford Canal Conservation Area Appraisal, will be circulated separately to the main agenda pack as it will be printed in colour \*\*

Report of Head of Strategic Planning and the Economy

### **Summary**

To seek the approval of the Executive to designate the Oxford Canal Conservation Area with immediate effect.

### **Recommendations**

The Executive is recommended:

- (1) To consider the representations received following consultation and the changes made to the draft conservation area appraisal and to the proposed conservation area boundary as a result.

- (2) To approve the conservation area appraisal for the Oxford Canal accordingly.
- (3) To resolve, under Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990, to designate the Oxford Canal Conservation Area with immediate effect.

## **Service Delivery and Innovation**

### **8. Proposed Response to Heseltine Review (Pages 27 - 50) 7.15pm**

Report of Head of Strategic Planning and the Economy

#### **Summary**

To consider a proposed submission by Cherwell District Council to the Heseltine Review.

#### **Recommendations**

The Executive is recommended:

- (1) To report on the proposed CDC draft response.
- (2) To consider the views of the Executive and adopt the attached draft CDC response.

## **Value for Money and Performance**

### **9. 2013/14 Budget Strategy, Service & Financial Planning Process and 2013/14 Budget Guidelines including Local Government Resources Review (LGRR) Update (Pages 51 - 64) 7.25 pm**

Report of Head of Finance and Procurement

#### **Summary**

To inform the Executive of the service and financial planning process for 2013/14, approve 2013/14 budget strategy and to agree budget guidelines for issue to service managers to enable the production of the 2013/14 budget and update the current position of our LGRR project

#### **Recommendations**

The Executive is recommended:

- (1) To note the updated MTFs forecast for the Council's revenue budget for 2013/14 to 2016/17.
- (2) To endorse the overall 2012/13 budget strategy and service and financial planning process set out in the report.
- (3) To Consider and agree the proposed budget guidelines and timetable for 2013/14 budget process. (Appendix 1 and 2)

- (4) To note the current position in relation to council tax support localisation detailed in Para 2.12.
- (5) To note the current position in relation to business rates localisation detailed in Para 2.17.

## **Urgent Business**

### **10. Urgent Business**

Any other items which the Chairman has decided is urgent.

### **11. Exclusion of the Press and Public**

The following report(s) contain exempt information as defined in the following paragraph(s) of Part 1, Schedule 12A of Local Government Act 1972.

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

No representations have been received from the public requesting that this item be considered in public.

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

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

“That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraph(s) 2 of Schedule 12A of that Act.”

### **12. Land Negotiations Report (Pages 65 - 80)**

**7.45 pm**

Exempt Report of Head of Regeneration and Housing

This report is exempt from publication by virtue of paragraph 3 of Schedule 12A of Local Government Act 1972

**(Meeting scheduled to close at 7.55pm )**

## **Information about this Agenda**

### **Apologies for Absence**

Apologies for absence should be notified to [democracy@cherwellandsouthnorthants.gov.uk](mailto:democracy@cherwellandsouthnorthants.gov.uk) or 01295 221589 prior to the start of the meeting.

### **Declarations of Interest**

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

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

### **Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012**

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

This agenda constitutes the 5 day notice required by Regulation 5 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 in terms of the intention to consider an item of business in private.

### **Evacuation Procedure**

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

### **Access to Meetings**

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

### **Mobile Phones**

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

### **Queries Regarding this Agenda**

Please contact Natasha Clark, Democratic and Elections  
[natasha.clark@cherwellandsouthnorthants.gov.uk](mailto:natasha.clark@cherwellandsouthnorthants.gov.uk), 01295 221589

**Sue Smith**

**Chief Executive**

Published on Friday 21 September 2012

# Agenda Item 5

## Cherwell District Council

### Executive

Minutes of a meeting of the Executive held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 3 September 2012 at 6.30 pm

- Present: Councillor Barry Wood (Chairman), Leader of the Council  
Councillor G A Reynolds (Vice-Chairman) Deputy Leader of the Council
- Councillor Norman Bolster, Lead Member for Estates and the Economy  
Councillor John Donaldson, Lead Member for Banbury Brighter Futures  
Councillor Michael Gibbard, Lead Member for Planning  
Councillor Tony Ilott, Lead Member for Public Protection  
Councillor D M Pickford, Lead Member for Housing  
Councillor Nicholas Turner, Lead Member for Performance and Customers
- Also Present: Councillor Andrew Beere (in place of Councillor Patrick Cartledge, Leader of the Labour Group)  
Councillor Sean Woodcock (in place of Councillor Patrick Cartledge, Leader of the Labour Group)
- Apologies for absence: Councillor Patrick Cartledge, Leader of the Labour Group  
Councillor Tim Emptage, Leader of the Liberal Democrat Group
- Officers: Sue Smith, Chief Executive  
Calvin Bell, Director of Development  
Ian Davies, Director of Community and Environment  
Martin Henry, Director of Resources / Section 151 Officer  
Kevin Lane, Head of Law and Governance / Monitoring Officer  
Jo Pitman, Head of Transformation  
Chris Rothwell, Head of Community Services  
Ed Potter, Head of Environmental Services  
Gavin Halligan-Davis, Community and Corporate Planning Manager  
Pat Simpson, Programme Manager  
Stuart Cruickshank, Depot & Transport Manager  
James Doble, Democratic and Elections Manager  
Lesley Farrell, Assistant Democratic and Elections Officer

#### 33 **Declarations of Interest**

There were no declarations of interest.

#### 34 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

35 **Urgent Business**

There were no items of urgent business.

36 **Minutes**

The minutes of the meeting held on 2 July 2012 were agreed as a correct record and signed by the Chairman.

37 **Design and Conservation Strategy for Cherwell**

The Head of Strategic Planning and the Economy submitted a report which sought approval of the Design and Conservation Strategy for Cherwell.

In introducing the report, the Lead Member for Planning applauded its content. Cherwell boasts a rich heritage and the purpose of the strategy was to protect local heritage and promote high quality design. The Strategy fitted with the draft Local Plan for development and the National Planning Policy Framework. The Strategy had been subject to public consultation and a number of bodies had been encouraged by content.

**Resolved**

- (1) That the content of the Design and Conservation Strategy be noted.
- (2) That the Design and Conservation Strategy for Cherwell be adopted.

**Reasons**

The strategy sets out the Council's remit in the areas of design and conservation, illustrates what has been achieved and what we will strive to achieve in the future. The document covers a three year period from September 2012 to March 2015. The Strategy has been subject to consultation and fits with the draft Local Plan. Accepting the recommendation is believed to be the best way forward.

**Options**

- |                     |  |
|---------------------|--|
| <b>Option One</b>   | To accept the recommendation   |
| <b>Option Two</b>   | To not accept the recommendation, thereby not establishing and setting clear priorities for the way the Council approaches design and conservation matters for the next three years. |
| <b>Option Three</b> | To not accept the recommendation and refer the document back to the Head of Strategic Planning and the Economy for further alterations.  |



## 38 **Banbury Museum Trust Project Developments**

The Head of Community Services submitted a report which highlighted the work of the Banbury Museum Trust Project Board in developing an independent organization to run the services and the costs associated with this process.

Executive was advised that the Museum Project Board had agreed to seek trust status. Following an extensive recruitment process, Mr Bob Langton had been recommended as an appropriate appointment for Shadow Board Chairman. In terms ensuring the probity of the transfer of the service to the independent organisation, specialist and independent advice must be made available to the Shadow Board, the costs of which would be met from a fund established specifically for that purpose.

### **Resolved**

- (1) That the selection of Mr Bob Langton to the role of Shadow Board Chairman be approved.
- (2) That the Deputy Leader be approved as the Council's nominated representative on the Shadow Trust Board.
- (3) That a budget of £20,000 to enable the project to be delivered be approved.

### **Reasons**

The Executive at its meeting on 3 October 2011 agreed in principle the transfer of Banbury Museum to independent status, knowing this preserves a valuable and visited cultural asset for local residents whilst securing some financial benefit to the Council.

The first step towards independence is the creation of a Shadow Board. The interview panel for the Shadow Board Chairman considered the candidates against a range of stringent criteria covering previous experience and expertise in a comparable role as well as personal interest in the cultural sector. They selected Mr Bob Langton as their preferred candidate having scored highly against the majority of the person specification for the role.

Specialist and independent advice must be made available to the Shadow Board to ensure the probity of the transfer, the costs of which will be met from a fund established specifically for that purpose.

### **Options**

**Option One** To continue without any further independent and specialist advisors; and to make alternate recommendation on appointment of Shadow Trust Board Chairman and the Council's nominated representative.

**Option Two** To engage external and independent advice and

approve the appointment of the Shadow Trust Board Chairman and the Council's representative to the Shadow Board as set out in this report.

## 39 **Update on Major Programmes**

The Head of Transformation submitted a report which updated Members on Major Programmes and progress toward implementing robust governance of major change projects.

In introducing the report, the Chairman advised that it was good discipline to have a proper regime to look after projects with the same reporting frame for both Cherwell District Council and South Northamptonshire. As additional time and commitment was necessary by Lead Members, Member Champions should be appointed by the Chief Executive to maintain stability.

### **Resolved**

- (1) That the progress in relation to the implementation of governance standards for the 9 major projects which Members have identified as key to the delivery of regeneration and economic development (the Place Programme) and change (Transformation Programme) for Cherwell District Council and South Northamptonshire Council be noted.
- (2) That the Member champions assigned to each of the programme boards be noted.
- (3) That authority be delegated to the Chief Executive be delegated in consultation with the Leader of the Council to approve member champions as required.

### **Reasons**

Members have already approved the general approach to maximising the effective use of scarce resource through the organisation of projects into programmes. This report seeks simply to update members.

### **Options**

**Option One**                      To agree the recommendations as set out

**Option One**                      To amend the recommendations

## 40 **Performance and Risk Management Framework 2012/13 First Quarter Performance Report**

The Director of Resources and the Interim Corporate Performance Manager submitted a report which covered the Council's performance for the period 1 April to 30 June 2012 as measured through the Performance Management Framework.

In introducing the report, the Lead Member for Performance Management and Improvement explained that the report showed a full summary of the performance for the first quarter which indicated a satisfactory progress at 93.7%. There was only one red which was on the public perception of street cleanliness for the annual customer satisfaction survey results were due in September/October. Executive was assured that overall standards had not fallen and the results would give an independent third party view.

Members commented that there was considerable repetition of statistics which did not change every quarter and agreed that a review should take place by all Lead Members with their Head of Service to decide which indicators the report should focus on in each quarter.

### **Resolved**

(1) That the following achievements be noted:

#### **Cherwell: A District of Opportunity**

- Actions are on-going to promote apprenticeships and other routes to work and education. In June, 6 regular Job Clubs were held: 2 in Banbury, 3 in Bicester and 1 in Kidlington. 4 'Career & Opportunity Gateway' Job Clubs were held at the Mill Cottage on Wednesdays. 4 additional Job Club workshops were introduced in June, on Thursdays at the Mill Cottage. This brings the total number of job clubs for Q1 to 25. A successful Job Fair (to allow job seekers to meet employers) was also held in Banbury in April.
- Progress is currently on track for the delivery of 100 affordable homes in the District and current risks to delivery are being managed, in particular, further assessments are being made of the contribution the South West Bicester development can make by year end. The schemes at Dashwood Road School in Banbury and Bryan House in Bicester are due to complete by early September with official scheme openings happening later that month. 31 homes delivered in Quarter 1 against target of 27.
- Key strategic sites for the provision of new commercial and leisure facilities in Banbury have been clearly identified and initial consideration has been given to potential development strategy through some initial soft market testing. Sites also form on-going process of completing necessary Supplementary Planning Documents and master planning, running alongside the production and publication of the Core Strategy. These sites are being project managed at present through the Banbury Development Group.
- Bicester Town Centre continues to progress well. A name for the Centre is urgently required to progress marketing of the units. Minor

changes now required to entrance/layout of the new Cinema due to new operator but these can be accommodated by the contractor.

### **A Cleaner Greener Cherwell**

- Very wet first three months have made garden waste tonnages fluctuate wildly with some weeks low tonnages & some very heavy tonnages. Some Environment Agency changes regarding street sweepings may reduce recycling rates by 1% in the future.
- The Annual customer satisfaction survey results due in September/October. Overall standards haven't fallen - entered in Clean Britain awards - results due September 2012 which should give an independent third party view. The Neighbourhood Blitz programme in Banbury continues successfully.
- The Cocoon scheme has secured additional external funding to provide free cavity wall insulation in all cases and free loft insulation in some cases. The Council has been helping to fund the discount on both types of insulation and, in response to the changes in the Cocoon scheme, has been able to revise the way its contribution is used so that all home owners and private landlords in Cherwell can get insulation free. New leaflets have been produced and promotion is on-going.
- The legal agreement and planning permission have been issued and the developers have appointed contractors and are in the process of clearing conditions and obligation requirements to enable a start on site of the Eco-Bicester houses project this year.

### **A Safe, Healthy and Thriving Cherwell**

- Dates were agreed in May for the initial sign up to the Best Bar None Scheme by participating premises and date agreed for completion (November 2012). Although there has been some slippage against target for sign up with potential participants in June, the project is expected to be brought back on track in July/August.
- On-going effective Partnership working through Cherwell Community Safety Partnership (CCSP), Local Strategic Partnership (LSP) and voluntary sector. Joint Agency Tasking & Co-ordination group (JATAC) working with Oxfordshire County Council (OCC) Hub in identifying individuals and information sharing for future interventions.
- Earthworks at South West Bicester Sports pitches have been delayed by wet weather but still expect to seed and plant the area from September.
- Preferred bidder for the replacement community hospital in Bicester on the existing site announced by the Primary Care Trust (PCT). Planning application submitted. On-going dialogue between the PCT and Strategic Health Authorities (SHA) to progress the project

**An Accessible, Value for Money Council**

- Savings of c £600,000 of the £800,000 secured and plans are in place to address the remainder.
  - Customer survey commissioned, we will have a challenge to bring up satisfaction rates in the current economic climate so there is some risk associated with this performance objective.
  - The website improvement project is undertaking final checks with the stakeholders before making it available to the public. Time scales beginning in Quarter 2.
- (2) That officers be requested to report in the second quarter on the following items where performance was below target or there are emerging issues or risks.

**Corporate Scorecard – Customer Feedback**

Telephone call response rates – Target was reduced to 1min from 1min10 (last year's target) following significant improvements in response times. Appointments moving contact from Face to Face to Phones and a 5 week backlog of Benefit processing work has generated increased customer contact, this combined with reduced staffing has resulted in an increase in response times during the first quarter. A significant increased number of calls received, 3000 on this time last year.

- (3) That the responses to issues raised in the end of year performance report be noted.
- (4) That a review take place of all indicators and the frequency of reporting and that this process includes the lead member meeting with their Heads of Service to consider whether indicators should be reported quarterly, half yearly, annually or no longer measured'.

**Reasons**

This report presents the Council's performance against its corporate scorecard for the first quarter of 2012/13. It includes an overview of successes, areas for improvement and emerging issues to be considered.

**Options**

- Option One**
- (1) To note the many achievements referred to in paragraph 1.3.
  - (2) To request that officers report in the second quarter on the items identified in paragraph 1.4 where performance was below target or there are emerging issues or risks..
  - (3) To agree the responses identified to issues raised in the end of year performance report in paragraph 2.1

or to request additional action or information.

- (4) To identify any further performance or risk related matters for review or consideration in future reports.

**Option Two** To identify any additional issues for further consideration or review.

## 41 **Quarter 1 2012/13 Finance Report and Local Government Resources Review Update**

The Head of Finance and Procurement submitted a report which summarised the Council's Revenue and Capital performance for the first 3 months of the financial year 2012/13 and projections for the full 2012/13 period. The report also considered treasury and procurement performance for the first quarter and compares against strategy and action plans. A short update on the Local Government Resources Review (LGRR) Project was also included.

In introducing the report the Lead Member for Financial Management reported on the many achievements of the first quarter. The variances on the revenue and capital projections were within the Council's stated tolerances of +2% / - 5% and all peaks and troughs should even out over the course of the year.

The Joint Procurement Team had been in place since the beginning of July and has been working together on drawing up a joint forward plan to provide savings targets and support a range of programmes across the Councils. Cashable savings had already been made and procurement exercises were also underway with Stratford District Council which would bring financial benefit.

Members were advised that the LGRR was progressing and that the LGRR project team are continuing to meet to model the financial and other implications so that they can feed into the medium term financial forecast and corporate planning.

### **Resolved**

- (1) That the projected revenue & capital position at June 2012 be noted.
- (2) That the Q1 performance against the 2012/13 investment strategy and the financial returns from each of the 3 funds be noted.
- (3) That the contents and the progress against the Corporate Procurement Action Plan and the Procurement savings achieved at June 2012 be noted. .
- (4) That the latest position on the Local Government Resources Review project be noted.

### **Reasons**

This report illustrates the Council's performance against the 2012/13 Financial Targets for Revenue, Capital, Treasury and Procurement Monitoring.

### **Options**

**Option One** To review current performance levels and considers any actions arising.

**Option Two** To approve or reject the recommendations above or request that Officers provide additional information.

## 42 **Exclusion of the Press and Public**

### **Resolved**

That, in accordance with Section 100A(4) of Local Government Act 1972, the press and public be excluded from the meeting for the following items of business, on the grounds that they could involve the likely disclosure of exempt information as defined in paragraph 3 of Schedule 12A of that Act.

## 43 **Award of Contract for the Provision of Refuse Collection Vehicles**

The Head of Finance and Procurement and Head of Environmental Services submitted an exempt report which sought approval for the purchase of Refuse Collection Vehicles under a Framework until 31 May 2015

In introducing the report the Lead Member for Financial Management advised that the tender had been carried out jointly Oxfordshire City Council and but there was flexibility for other authorities to join in the future.

Members agreed it was a good procurement exercise that showed what could be achieved tendering with other councils.

### **Resolved**

- (1) That the purchase of the Council's 10 refuse collection vehicles from 2013 – 2015 using the Government Procurement Service vehicle procurement framework (ref 859) in collaboration with Oxford City Council be approved.

### **Reasons**

A procurement exercise has been undertaken in the form of a mini competition for orders of refuse collection vehicles until 31 May 2015. Cherwell District Council and Oxford City Council have aggregated their refuse collections vehicles requirements to secure the best possible deal for refuse collection vehicles. The new contract reduces the expected capital and revenue requirements.

Executive - 3 September 2012

The meeting ended at 7.30 pm

Chairman:

Date:



## Executive

### Banbury Masterplan Progress Report

1 October 2012

### Report of Head of Strategic Planning and Economy

#### PURPOSE OF REPORT

To receive a report and associated presentation on the development of the Banbury Masterplan.

The presentation will be given by representatives of WYG, the consultants appointed to prepare the Banbury Masterplan.

This report is public
-----------------------

#### Recommendations

---

The Executive is recommended:

- (1) To consider the issues that have informed the preparation of the Masterplan for Banbury and to note the progress being made.
- (2) To receive a presentation by WYG.
- (3) To consider proceeding to public consultation and completion of the Masterplan.

#### Executive Summary

---

##### Introduction

- 1.1 A Masterplan to guide the future development of Banbury is in preparation. It is considering future employment needs and how the town centre might be further strengthened; the potential for major transport improvements and how the integration of new communities with the existing town to form 'one' town might best be secured.
- 1.2 The Banbury Masterplan will be used to provide the detailed underpinning for the Banbury chapter of the Local Plan for the District currently out for consultation and due for Examination in 2013.

## **Proposals**

- 1.3 The Masterplan contains a set of strategic proposals for the future development of the town to ensure the development of the town proceeds in a holistic, planned, coordinated way.
- 1.4 The development of the Masterplan for Banbury follows a similar process as the Bicester Masterplan.

## **Background Information**

---

- 2.1 The growth in Banbury shown in the proposed submission draft of the Local Plan for Cherwell takes the form of key sites within the existing town, town centre regeneration and a series of urban extensions. The Masterplan for Banbury seeks to harness these into a more detailed consideration of how the town might grow and what actions might be required.
- 2.2 Banbury plays an important role as a market town that serves a growing rural catchment. As a result of the planned growth, the role and functions of Banbury will need to be expanded, enhanced and regenerated to both maintain and strengthen the role of the town within its catchment. The challenge will be to shape the growth so that the town uses its key opportunity sites in a coordinated, integrated and planned way, to enable appropriate redevelopment opportunities in the town centre which expand the retail, employment, leisure, education and social portfolio of the town to cater for the existing and a growing population.
- 2.3 Banbury has a range of current strengths, from a strong commercial and retail partnership in Banbury Town Centre Partnership, the Castle Quay retail centre with canal side location, an attractive historic core, a dynamic local College, access to the M40 and good rail links to Birmingham and London. The town is a significant attraction as a destination for the surrounding area.
- 2.4 Alongside the expansion of the range of business, commercial and social facilities, Banbury faces a challenge of how to improve capacity on key routes, specifically the north-south route though the central area which suffers congestion.
- 2.5 There is also a need to secure an improved sustainable transport network for cycling and walking together with improved public transport connectivity. This will encourage 'modal shift' and promote the 'well-being' of residents, employees and shoppers of the town.
- 2.6 Banbury also has pockets of higher unemployment, low levels of achievement and higher deprivation levels and how some of these issues could be tackled through providing for economic growth supported by quality housing and infrastructure.

## **Purpose**

- 2.7 The main aims of the Banbury Masterplan are to:
  - Guide the growth of the town to 2031, having regard to the potential for additional development that secures the sustainable future for the town in

the period beyond.

- Identify further opportunity sites in the town and potential land uses.
- Identify the key physical and social infrastructure to meet the requirements of the current and future population and relating to and informing the emerging Local Plan assessment.
- Identify how best to present the town as a destination.
- Examine how the town's considerable heritage might be used to develop new cultural activities and a new tourism offer.
- Highlight to potential landowners, developers and investors the opportunities that Banbury has to offer.
- Secure the future role of the town centre, ensure its vitality and viability, widen and secure the retail offer, reduce the number of vacancies and to prevent against unsuitable out of town development that would undermine the role of the town centre.
- Provide a movement strategy for the car and sustainable methods of transport.
- Secure a stronger employment base for the town.
- Provide a robust document with a sound evidence base that the Local Planning Authority can use in pre-application discussions, to assess future planning applications and assist in the determination of proposals.
- Highlight where on site provision and potential planning obligations may be required.

2.8 The preparation of a Masterplan for Banbury will provide a clear spatial vision for the town and set a framework for the development of key opportunity sites, many of which have been identified through current work on the Proposed Submission Local Plan. It will also enable Cherwell Council to take a proactive role in guiding future development within a clear town boundary that prevents unplanned urban sprawl. The Masterplan will examine ways of best integrating all new developments with the rest of the town.

2.9 The Masterplan will not just examine how to accommodate growth at Banbury, but also help address a number of other challenges including:

- How to reposition the town in the face of competition from neighbouring towns with consequential retail leakage, leading to it becoming more of a dormitory town than a dynamic, attractive retail centre.
- How to assist in reducing the number of vacant shop premises within the town centre.
- How to restore local residents' perceptions of a positive future for the town.
- Identifying potential new employment sites within and around the town to attract new businesses and provide for the expansion and relocation of existing businesses and

- How to build more effectively on the success of the Castle Quay shopping centre as a foundation for a more dynamic and diverse town economy.
  - How best to strengthen the role of the existing higher education provision in the town.
  - How the town might be further developed as a high quality attractive place that meets wider business needs as well as providing an attractive mix of national and independent retailers and businesses.
  - How to provide good access between residential areas to key destinations within Banbury and enabling the town to make the most of its excellent links to the strategic road network.
- 2.10 The Banbury Masterplan will include an assessment of the likely volume of new housing, its type and design and the integration of all urban expansions with the existing town to ensure that the town benefits from this growth, with new community facilities and the impact on existing services assessed.
- 2.11 The Masterplan process will include consideration of the need for enhanced Green Infrastructure, such as an expanded network of footpaths, link trails and new cycle paths, together with other investment in the public realm and ensuring that Banbury becomes a greener more attractive town. They form an important part of the transport network to link up key parts of the town.
- 2.12 The Masterplan will take into account the need for improved highway capacity enhancements focusing on congested sections of the network, specifically the north/south corridor and investigation of the transport benefits of a relief road/s to serve Banbury. Central to the Masterplan project will be the aim of improving public transport services; both bus connections to and around the town, to the rail station in the town and improved links with the villages in its hinterland.
- 2.13 The Banbury Masterplan will also consider current retail trends and needs of the town and surrounding District. This will inform consideration of how best the town should strengthen the retail sector of its economy and promote the town as a shopping, tourism and cultural destination and secure a closer relationship between the potential for future development of the successful Castle Quay shopping centre, the Mill/Spiceball Centre and the Town Centre.
- 2.14 The Terms of Reference for the Masterplan include:
- I. To clarify Banbury's future role and how best to strengthen the viability and vitality of its town centre at the heart of the local community.
  - II. To prepare a strategic framework for managing the future development of Banbury over the next 20 years.
  - III. To develop proposals for the development of the key opportunity sites in Banbury including identifying appropriate uses and establishing high quality design principles.
  - IV. To outline how the proposed urban extensions can best be integrated with the rest of the town and how the structure of the town may be altered and improved to maximise the integration and the benefits of the development.

- V. To address movement patterns for people moving by foot, cycle, car or public transport, commercial, service and refuse vehicles.
- VI. To develop broad design proposals for improvements to streets, squares and public spaces in the town centre and other areas of change.
- VII. To identify key infrastructure needs for the town.
- VIII. To identify possible criteria and planning policies for guiding the future development of key sites including the identification of site constraints and uses, for both Development Management and the Local Plan.
- IX. To outline a strategic implementation plan for the Masterplan

### **Links to the Cherwell Local Plan**

- 2.15 The Banbury Masterplan will assist with the completion of the Local Plan for the District having considered the issues facing the development of the town as a whole in depth.
- 2.16 The Banbury Masterplan will show potential phasing of development to illustrate how key development areas might best be delivered – especially for Bolton Road, Spiceball and Canalside.
- 2.17 As part of the preparation of the Masterplan additional work is being undertaken inform its consideration and to act as evidence for the Local plan including a) a movement assessment, b) Landscape analysis.
- 2.18 The Local Plan will incorporate the conclusions of the Masterplan onto a statutory footing, placing the future of Banbury into the context of Cherwell District as a whole.
- 2.19 Completion of the Proposed Submission Local Plan is due in December 2012, following the 6 weeks consultation and submission planned for December 2012. This will lead to an Examination in Public in Spring 2013.
- 2.20 It is the intention that the Banbury Masterplan will be adopted as an SPD on adoption of the Local Plan.

### **The process of Masterplan preparation**

- 2.21 WYG have prepared a conceptual version of the Banbury Masterplan and have been gathering information and liaising with key stakeholders to inform its production. This will ensure that the plan has taken account of all those with an interest in Banbury, in shaping the future of the town.
- 2.7 Key stakeholders include elected members and officers from the 3 tiers of local government - District, Town and County Councils; Oxford and Cherwell Developers, the College, local businesses through Banbury Town Centre Partnership and Banbury Chamber of Commerce and neighbouring Parish Councils.
- 2.22 Engagement has so far included a series of workshops and one to one interviews.

## Consultation on the conceptual plan

- 2.23 Following consideration by the Executive of the conceptual Masterplan there will be a deeper examination of infrastructure needs of the town including future education, health, green infrastructure and leisure requirements.
- 2.24 Cherwell District Council will consult on the final draft Masterplan for Banbury in the Autumn 2012.
- 2.25 The final report will include an executive summary of the key findings and be a high quality document that is readable and well presented. The report will contain an appropriate mix of photographs, maps and drawings to illustrate the concepts that underpin the strategy for the town, as well as site options in a well designed, accessible format.

## Key Issues for Consideration/Reasons for Decision and Options

---

- 3.1 To consider whether the proposals that are emerging within the Banbury Masterplan merit support.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

<b>Option One</b>	To take no action
<b>Option Two</b>	To accept the recommendation.
<b>Option Three</b>	To continue with a piecemeal approach to development that fails to ensure integration with the existing town or to ensure that opportunities are realised for the benefit of residents and businesses in Banbury.

## Consultations

---

### The Concept Masterplan for Banbury has been informed by a series of workshops.

Oxfordshire County Council	Are directly involved in steering the development of the Masterplan project.
Banbury Town Council	Have been a consultee on the development of the plan proposals.

## Implications

---

<b>Financial:</b>	The cost of the project is being met from existing resources, co-funded by Oxfordshire County Council. Comments checked by Karen Curtin, Head of Finance and Procurement, 03000030106.
<b>Legal:</b>	The plan will form 'non statutory policy guidance', therefore it is critical that its proposals are reflected in the final Core Strategy to ensure they have sufficient weight to be a determining matter on planning applications. Comments checked by Kevin Lane, Head of Law and Governance 0300 0030107.
<b>Risk Management:</b>	The completion of this project will minimise risk of

important opportunities being lost through the continuation of a piecemeal approach to planning.

**Wards Affected**

---

**All Wards in Banbury**

**Corporate Plan Themes**

---

**A District of Opportunity**

**Lead Member**

---

**Councillor Gibbard  
Lead Member for Planning**

**Document Information**

---

<b>Appendix No</b>	<b>Title</b>
None	None
<b>Background Papers</b>	
Banbury Tender Notice - EXEMPT	
<b>Report Author</b>	Adrian Colwell, Head of Strategic Planning and the Economy
<b>Contact Information</b>	03000030110 adrian.colwell@cherwellandsouthnorthants.gov.uk

This page is intentionally left blank



## Executive

### Oxford Canal Conservation Area Appraisal

1 October 2012

### Report of Head of Strategic Planning and the Economy

#### PURPOSE OF REPORT

To seek the approval of the Executive to designate the Oxford Canal Conservation Area with immediate effect.

This report is public
-----------------------

#### Recommendations

---

The Executive is recommended:

- (1) To consider the representations received following consultation and the changes made to the draft conservation area appraisal and to the proposed conservation area boundary as a result.
- (2) To approve the conservation area appraisal for the Oxford Canal accordingly.
- (3) To resolve, under Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990, to designate the Oxford Canal Conservation Area with immediate effect.

#### Executive Summary

---

##### Introduction

- 1.1 This report sets out the comments received on the draft appraisal and the new designation and indicates the amendments that are considered appropriate in response.
- 1.2 The appraisal sets out the importance of the Oxford Canal and its relevance to the District's historic environment. The work has been undertaken by consultants CgMS and Richard Morriss of RKMorriss Associates under the guidance of Linda Rand (former CDC Design and Conservation Team Leader) and Mandy Lumb (SNDC Conservation Officer). The designation of part of the Oxford Canal as a Conservation Area aims to ensure that the special character and appearance of the area can be identified and protected, through ensuring that any future development preserves or enhances that identified special character.

- 1.3 If approved it will be a material consideration in the determination of planning applications within the conservation area and its setting.

### **Background Information**

- 1.4 The Planning (Listed Buildings and Conservation Areas) Act 1990 [The Act] places a duty on local planning authorities [LPAs] to identify areas of special architectural or historic interest and to designate those areas as conservation areas. Thereafter the LPA is required to formulate and publish proposals for the preservation and enhancement of the conservation area, submit these to a public meeting and have regard to views expressed.
- 1.5 The canal has particular support from the Proposed Submission Draft Local Plan under policy EDS17, which highlights the 'significant industrial heritage, tourism attraction and major leisure facility' that is the canal. The canal is an iconic historic structure running the length of the district through the attractive Cherwell Valley, and the Council seeks to promote leisure and tourism related uses, as well as mixed use development in urban settings. The accessibility of the towpath and suitable parking facilities for visitors are identified as significant issues requiring appropriate design solutions.
- 1.6 The recently adopted Design and Conservation Strategy 2012-2015 also recognises the balance between preserving the canal's sensitive ecology, tourism growth, and development pressures (section 5.3). The designation of the conservation area is seen as a first step in the Heritage Partnership Agreement process.
- 1.7 There are currently 59 conservation areas designated in Cherwell District and there is an ongoing programme of review and new designations, with 25 (42%) having been designated or reviewed within the last 5 years.
- 1.8 Conservation Area designation can sometimes cause local controversy and so this Council operates a policy of not proposing designation without consulting those people who would be affected by the proposals.
- 1.7 The Council put the appraisal out to tender on 22<sup>nd</sup> November 2011 and received 4 tenders. CgMS was chosen based on a number of factors and work commenced on 8<sup>th</sup> December 2011.
- 1.8 The draft appraisal identifies the special architectural and historic interest of the Canal, the character and appearance of which it is desirable to preserve or enhance, as required by The Act. The appraisal follows a format recommended by English Heritage and assesses the geology, topography, historical development and architectural history, identifies buildings of local interest as well as those statutorily listed and other heritage assets. It includes a character analysis of the length of the canal in 20 distance-related areas, and the specific features of the canal such as engineering and structures. It is used in the determination of planning applications and by inspectors at appeal.
- 1.9 The Oxford Canal runs from Coventry to Oxford, and a stretch of around 33 miles lies within the Cherwell and South Northamptonshire districts. The canal is of the rural contour type, using and circumnavigating the landscape, giving it the relaxed cruising atmosphere that is its greatest attraction for tourists and residents alike. Work on the canal started in 1769; the stretch between Banbury and Oxford was constructed between 1778 and 1790, making it one

of the largest man-made features in the Cherwell district. The arrival of the railways reduced the use of the canal, which was used mainly for coal transportation, and following WWII, the canal was classed as a 'cruiseway', rather than for commercial use. Since then it has become one of the busiest and most popular recreational cruiseways in the country.

## **Public Consultation**

- 2.1 **Public consultation** commenced on 5 March 2012 for a period of 2 weeks. After discussion with consultees, the consultation period was extended until 16 April 2012 (6 weeks).
- 2.2 The **draft document** was made available on the Council's website, in the Banbury library, Bicester library and Kidlington library. Many copies were distributed at the public exhibitions and meetings.
- 2.3 **Publicity** included:
  - Posters and an invitation to the public exhibitions and meetings were sent to each of the 17 parish councils whose parishes would be affected by the proposals.
  - A media release was sent out.
- 2.4 A **public exhibition** was held in Upper Heyford Village Hall (1 March), Banbury Town Hall (8 March) and Exeter Hall, Kidlington (12 March).
- 2.5 In each case, this was followed by a **public meeting**, which was chaired by the local member and attended by residents and interested parties. Mike Dawson and Richard Morriss made presentations, setting out the justification for designation, and this was followed by a question and answer session.
- 2.6 A **stakeholder workshop** was held on 12 March at Exeter Hall, Kidlington. Approximately 26 attendees were present from a variety of organisations including parish councils and local residents.
- 2.7 The **completed draft appraisal** including consultee comments was received by the council on 10 May. Following this, the proposed boundary and the content of the draft was reviewed.
- 2.8 Following consideration of the additional information contributed by consultees, the document was amended by the consultants and a précis of the comments included as an appendix to the document.

## **Consultation Responses**

- 3.1 **Sixteen** written consultation responses were received from a potential 114 consultees, including all affected parish councils. All were in favour of the designation in principle. These are reported in précis at appendix 4.
- 3.2 All comments were noted by the consultants. Where appropriate, alterations to the text were made. The main comments were concerned with the following:
- 3.3 Maintenance, either piecemeal or comprehensive undertakings: Concern was

raised over the maintenance programme and materials used. The overall maintenance is now undertaken by the Canal and Rivers Trust [the Trust], with additional works being undertaken by individual land/property owners. The Trust prefers traditional repair methods and materials, which is encouraged by the Council. Further requests are made to treat the canal as a tangible asset, encouraging landowners, boatowners and visitors not to harm its appearance with inappropriate dumping.

- 3.4 Specific towpath and embankment maintenance: due to its method of construction, the towpath is not easily accessible during all seasons, particularly for those with limited mobility. Standard repair methods are not appropriate due to their appearance, and it is recommended that this be a matter to be raised as part of a heritage partnership agreement with the Trust.
- 3.5 Boundary line drawn too tightly to contain all the relevant important structures and features: Features which were constructed in association with or influenced by the canal have been included within the boundary, including the towpath and embankment. Some features are already covered by existing conservation areas and therefore may not appear within the Canal conservation area. Areas which are not included but are adjacent have a degree of protection as part of the setting of the conservation area.
- 3.6 Visitors, in particular parking accommodation: Banbury and Thrupp are two popular areas which have limited parking provision for visitors to the canal. This is a common issue in historic areas, which had no need to acknowledge vehicles. It is recognised that the fine balance between tourism, highway safety, and the poor appearance of modern car parks has not been reached along much of the canal. It is thought that this could also be included in a partnership agreement.
- 3.7 Health and safety: the Canal is a working feature, and as such has many inherent dangers such as locks, bridges and boats. Traditional restraints such as low-level timber fencing, wrought-iron railings and coppiced trees would be more sympathetic than modern safety solutions. It is recommended that this be included in a partnership agreement.
- 3.8 Livestock and farming: several landowners are affected by this designation in that it includes the metre of their land closest to the canal. Some farmers allow (or are unaware) that their livestock drink from the canal, leading to bank collapse and further requirement for maintenance. It is a difficult issue to solve, as fencing off an area would reduce the amount of usable land. The matter was raised formally through consultation responses and through informal discussions at the public meetings and exhibitions, highlighting its importance to local residents and canal users. It is recommended that a solution be sought through a heritage partnership agreement with the Canal and Rivers Trust.
- 3.9 Continuing the working heritage and allowing evolution of the canal: the most important feature about the Canal is its continued role as a mode of transportation where people live, work and travel. Any attempt to remove this primary function would alter the character swiftly and detrimentally. Alterations do not always have to be harmful, and not all traditional methods will continue to be appropriate. The balance will need to be reviewed often to ensure that it keeps up to date.

## Document Structure

- 4.1 Due to the differences between this conservation area and others in the district, the structure of the document has been altered slightly to aid the reader:

The location, geology and topography of the area

The History of the canal with reference to the Grand Cross

A thematic study of the architecture and character of the canal

Visual assessment of the linear route including setting and features of interest

- 4.2 Particular focus should be paid to:

Section 10: Implications of Designation.

Appendix Three: Recommendations for Local List of Non-Designated Heritage Assets

Appendix Four: Public Consultation. The boat and landowner issues raised during this are likely to form the basis of a Heritage Partnership Agreement with the Canal and Rivers Trust.

## Conclusion

- 3.10 The area has been identified as an area of special architectural or historic interest, and as such, the Council is duty bound to designate a conservation area under section 69 of The Act.
- 3.11 The document sets out the reasons why the area is of such interest and justifies its designation. Such justification will be of use to planning officers and inspectors when determining applications along the route of the canal.
- 3.12 The document should form a starting point for a heritage partnership agreement with the Canal & Rivers Trust, attempting to consider the maintenance and management of the canal.

## Key Issues for Consideration/Reasons for Decision and Options

- 4.1 To designate a conservation area along the Oxford Canal.

The following options have been identified. The approach in the recommendation is believed to be the best way forward

**Option One** To accept the recommendation

**Option Two** To decline to designate a conservation area along the Oxford Canal

**Option Three** To designate a conservation area with a different boundary, as Members see fit

## Consultations

---

<b>Banbury Town Council</b>	Welcomes the designation in principle. Concerns regarding the boundary with Spiceball Park. Hopes better management will come through Canal & River Trust involvement. Would like to see canalside buildings included as well but aware of area redevelopment potential. Important that the towpath surface is maintained and appropriate for the area it is travelling through.
<b>Claydon with Clattercote Parish Council</b>	Pleased to endorse the area and appraisal. Important to note the scale of development in the village. Hopes the designation will help to control and restrict ribbon development along the canal bank. Designation can only be a benefit.
<b>Somerton Parish Council</b>	Supportive on the designation: provides some protection for a valuable piece of British heritage. Concerned about towpath and fencing quality/siting. Would like minimum fencing distance to be considered. Support the removal of PD rights.
<b>Catesby Parish Meeting (N.Hants)</b>	Support the designation; encourage further stretches to north and south be investigated for designation as well.
<b>Steeple Aston Parish Council</b>	Agree with the designation. Regret that a wider area is not proposed (including River Cherwell) – suggest an AONB designation is considered for the rural valley area. Important to safeguard the qualities of heritage and landscape.
<b>N. Stapleton, landowner</b>	Supportive – would like to enable everyone to enjoy the area
<b>E. Tonkin, towpath walker</b>	Concerns regarding the towpath and walking/cycling
<b>C. Turley, resident</b>	Agree with the proposals. Non-designated heritage assets need a comprehensive survey. Protection for canal-related flora, fauna and archaeology should be considered.
<b>J. Carter, resident</b>	Concerns regarding parking at popular tourist stops along the route.
<b>G. Klaes, resident</b>	Concerns regarding the maintenance and management of woodland, livestock, speeding, education, residential mooring, towpath. Suggestions for the marinas at Cropredy and management of locks. Observations and suggestions for document content.
<b>Bruce Tremayne CPRE Bicester</b>	Support designation. Hope this will bring proper protection for the area and any planning rules will be enforced.
<b>Mick Jeffs CPRE Warwickshire</b>	Support the designation but recommend that Stratford on Avon and Rugby Councils are encouraged to do the same.
<b>Ray Treadwell,</b>	Support proposals. Wider issues of live-aboard

<b>Sovereign Wharf</b>	management need to be addressed by a partnership agreement with Canal & Rivers Trust.
<b>Richard Peats Area Adviser, English Heritage</b>	Strongly supportive of the concept of creating a conservation area based on the canal and the approach taken, that of restricting the area to cover the canal, tow-path and associated wharfs is considered sound. In places we would suggest that the boundary may be drawn a bit too tightly and it may be worth including buildings which, while they may pre-date the canal have been very closely associated and their form shaped by the canal. The appraisal shows a very thorough understanding of the development and significance of the canal and its character.
<b>Jane Henell Area Planner, British Waterways (South)</b>	Broadly supportive of the designation, pleased the LPA recognises the benefits that the canal brings to the community. Should not be seen by the public as stopping progress or preventing improvement. Aims that the new Canal and River Trust should work with partners including the Council to unlock the potential of the canal.
<b>Olivia Euesden, Land Use Operations, Natural England</b>	Pleased to see promotion of towpath as recreational part of the proposal. Would like more mention of flora/fauna and areas of scientific interest.

## **Implications**

---

<b>Financial:</b>	The cost of preparing and consulting on this draft Strategy is being met from existing resources.  Comments checked by Karen Curtin, Head of Finance and Procurement, 0300 0030106
<b>Legal:</b>	The Council would be failing in its duty under Section 69 of the Planning (Listed Building and Conservation Areas) Act 1990 if it declined to designate a conservation area where it had determined the area to have special architectural or historic interest.  Comments checked by Kevin Lane, Head of Law and Governance, 0300 0030107
<b>Risk Management:</b>	In failing to designate a conservation area, the Council would not be using all the powers at its disposal to preserve or enhance the identified special interest and could be putting this at risk.  Comments checked by Kevin Lane, Head of Law and Governance, 0300 0030107

## **Wards Affected**

---

Adderbury  
Astons & Heyfords: Lower Heyford, Somerton, Souldern & Upper Heyford Parishes  
Banbury

Bloxham & Bodicote: Bodicote Parish  
 Cropredy: Bourton, Claydon with Clattercote, and Cropredy Parishes  
 Deddington  
 Kidlington  
 Kirtlington: Bletchington, Hampton Gay & Poyle, Shipton on Cherwell &  
 Thrupp, and Kirtlington Parishes  
 Yarnton: Yarnton, Gosford & Water Eaton Parishes

### **Corporate Plan Themes**

---

Corporate Theme 6: Protect and enhance the local environment  
 Corporate Theme 8: Rural Focus

### **Lead Member**

---

Councillor Michael Gibbard  
 Lead Member for Planning

### **Document Information**

---

<b>Appendix No</b>	<b>Title</b>
1	Oxford Canal Conservation Area Appraisal
<b>Background Papers</b>	
None	
<b>Report Author</b>	Claire Sutton-Abbott, Design and Conservation Officer
<b>Contact Information</b>	01295 221608 <a href="mailto:claire.sutton-abbott@cherwell-dc.gov.uk">claire.sutton-abbott@cherwell-dc.gov.uk</a>



## Executive

### Proposed Submission to Heseltine Review

1 October 2012

### Report of Head of Strategic Planning and Economy

#### PURPOSE OF REPORT

To consider a proposed submission by Cherwell District Council to the Heseltine Review.

This report is public

#### Recommendations

---

The Executive is recommended:

- (1) To report on the proposed CDC draft response
- (2) To consider the views of the Executive and adopt the attached draft CDC response.

#### Executive Summary

---

##### Introduction

- 1.1 The Council has an interesting experience that is of relevance to the issues which the review team are considering. Following the adoption of its first Economic Development Strategy CDC has undertaken a series of practical steps to encourage growth in the District, with Masterplans to guide town growth, Jobs Clubs to tackle unemployment, business support, active tourism promotion. CDC is also a member of 2 LEPs.

##### Proposals

- 2.1 The In the Autumn of 2011 the Chancellor and Secretary of State for Business asked Lord Heseltine to undertake an independent review of how spending Departments and other relevant public sector bodies interact with the private sector and to assess their capacity to deliver pro-growth policies.
- 2.2 The Government has stated that its top priority is to achieve sustainable and balanced growth that is more evenly shared across the country and between industries. It remains committed to tackling the financial deficit to restore

economic confidence and stability, and resolutely focused on creating the right conditions for business success.

2.3 The review by Lord Heseltine is still at an early stage. The review team will be working under the following four themes:

- Benchmark UK performance against a range of economic indicators
- International comparison of industrial policies
- Assess capacity of departments to deliver pro-growth policies
- Assess how departments interact with the private sector

### **Making a submission**

2.4 It is proposed that the Council makes a submission around two of the 4 themes being examined by the Review, namely - the capacity of departments to deliver pro-growth policies and how departments interact with the private sector.

2.5 The Council's draft response is attached and is structured the following sections:

2.0 Supporting local and national growth

3.0 The Backdrop - Recession and growth

4.0 Taking National and Local Action

5.0 Role of Government and Agencies

5.1 The European Union role

6.0 Instruments and Tools for Growth

6.1 Local Enterprise Partnerships (LEPs)

6.2 Finance for growth

6.3 Evidence based policy

6.4 The role of planning for enabling growth

6.5 Housing as an economic driver

6.6 Location and Transport

6.7 Supporting a Low Carbon Economy

7.0 Themes for Growth – building on the Cherwell Experience

7.1 Theme One: People (skills development, work readiness, help to find work)

7.2 Theme Two: Business (entrepreneurship, enabling success, attracting investment)

7.3 Theme Three: Place (provide transport and housing infrastructure, support rural areas and develop key urban sites)

**Background Information**

---

2.1 Please find attached proposed submission

**Key Issues for Consideration/Reasons for Decision and Options**

---

- 3.1 This is an opportunity to submit observations to the Heseltine Review from a Cherwell District Council perspective.
- 3.2 This is an opportunity to build a dialogue with the Review Team to secure policy changes of benefit to the Cherwell District.

The following options have been identified. The approach in the recommendations is believed to be the best way forward

- Option One** Do nothing, do not submit to the Review.
- Option Two** Adopt the proposed response
- Option Three** Amend the proposed response and submit to the Review

**Consultations**

---

**None** This is a proposed response from CDC

**Implications**

---

- Financial:** No direct implications.  
Comments checked by Karen Curtin, Head of Finance and Procurement, 03000030106.
- Legal:** No direct implications.  
Comments checked by Kevin Lane, Head of Law and Governance 0300 0030107.
- Risk Management:** None

**Wards Affected**

---

All

**Corporate Plan Themes**

---

A District of Opportunity

**Lead Member**

---

**Councillor Norman Bolster**  
**Lead Member for Estates and the Economy**

**Document Information**

---

<b>Appendix No</b>	<b>Title</b>
Appendix 1	Heseltine Review – Proposed Response
<b>Background Papers</b>	
None	
<b>Report Author</b>	Adrian Colwell, Head of Strategic Planning and the Economy,
<b>Contact Information</b>	03000030110 adrian.colwell@cherwellandsouthnorthants.gov.uk

## **The Heseltine Review – A response and commentary from Cherwell District Council**

### **1.0 Background**

The Chancellor and Secretary of State for Business asked Lord Heseltine in the autumn of 2011 to undertake an independent review of how spending Departments and other relevant public sector bodies interact with the private sector, and to assess their capacity to deliver pro-growth policies.

The Government's top priority is to achieve sustainable and balanced growth that is more evenly shared across the country and between industries. It remains committed to tackling the deficit to restore economic confidence and stability, and resolutely focused on creating the right conditions for business success.

The Government is also working towards this through its own Growth Review and subsequent measures in the UK Government's 'Plan for Growth' (The UK Budget 2011). It builds on action taken at the Spending Review to restore economic stability.

The UK Government's Plan for Growth is based around four overarching ambitions for the economy, and announcements in the Budget identified a range of reforms to help meet these ambitions:

- Ambition 1: To create the most competitive tax system in the G20
- Ambition 2: To make the UK the best place in Europe to start, finance and grow a business
- Ambition 3: To encourage investment and exports as a route to a more balanced economy
- Ambition 4: To create a more educated workforce that is the most flexible in Europe

While the independent review by Lord Heseltine is not part of the Growth Review it is intended that it will contribute to the Government's thinking. There will be no formal public consultation; however the review team is gathering a range of views from stakeholders.

The review by Lord Heseltine is still at an early scoping stage, so specific projects and lines of enquiry are not yet confirmed. However, the review team will be working under the following four themes:

- Benchmark UK performance against a range of economic indicators
- International comparison of industrial policies
- Assess capacity of departments to deliver pro-growth policies
- Assess how departments interact with the private sector

The countries for international comparisons have not been chosen yet although the review will research a range of countries that are known to have successful strategies that promote growth.

## **Proposed submission by Cherwell District Council**

Views have been invited by the review team.

Cherwell District Council (CDC) has an interesting experience that is of relevance to the issues which the review team are considering. The Council has led economic development continuously in north Oxfordshire since the early 1990s, for instance, in implementing major European Union programmes around restructuring the local economy through providing training for skills and by opening innovation centres. The local economy is now in much better shape, with job seeker allowance claimants at 1.6% and an economic activity rate of 85%. This success was acknowledged in 2010 when Cherwell became the pilot study area of economic resilience for the Centre for Local Economic Strategies.

The Banbury Job Club, in January 2009, became a national model of best practice with future Government Ministers and Leaders of Councils visiting it to learn how it combined the best of the private, public and voluntary sectors: it has since featured in the launch of the National Work Club Network by the Minister for Employment. Cherwell has also run since 2007 the Oxfordshire Business Enterprises service, helping around 500 residents a year through the early stages of starting their own business.

However, Cherwell has set a new, ambitious economic development strategy, and welcomes Government to work closely in its realisation, as shown later in this paper.

CDC is a member of two Local Enterprise Partnerships: Oxfordshire LEP and South East Midlands LEP.

It is proposed that Cherwell District Council makes a submission around two of the 4 themes being examined by the Review, namely - the capacity of departments to deliver pro-growth policies and how departments interact with the private sector.

This commentary and response contains the following sections:

- 2.0 Supporting local and national growth
- 3.0 The Backdrop - Recession and growth
- 4.0 Taking National and Local Action
- 5.0 Role of Government and Agencies
  - 5.1 The European Union role
- 6.0 Instruments and Tools for Growth
  - 6.1 Local Enterprise Partnerships (LEPs)
  - 6.2 Finance for growth
  - 6.3 Evidence based policy
  - 6.4 The role of planning for enabling growth
  - 6.5 Housing as an economic driver
  - 6.6 Location and Transport
  - 6.7 Supporting a Low Carbon Economy
- 7.0 Themes for Growth – building on the Cherwell Experience
  - 7.1 Theme One: Developing People
  - 7.2 Theme Two: Developing Business
  - 7.3 Theme Three: Developing Place

## **2.0 Supporting *local* and *national* growth**

Supporting sustainable economic growth should be a central priority for the UK Government and drive all actions of the different programmes, legislation and activities of Government and its agencies.

It should be evidence based, driven by rigorous analysis of national, regional and local trends.

Government should be clearer in how it seeks to address the challenges of the current recession, ensuring that companies have the space to grow and have access to a range of supportive advice. Growing a successful economy also includes ensuring that there is sufficient land available for company growth and inward investment. This is not the public sector taking on the role of the private sector, but ensuring that we create a foundation for the future, with securing the economy of the District as one of the core drivers of Government policy.

The key question is – **‘What sort of economy should Government look to create?’**

The answer is there that there is not one economy and a risk that national action brings national straight jacket, stifles innovation and local action by imposing a new orthodoxy. The dynamics within local economic areas should, however, be understood and encouraged to secure their potential, and this is where local and national government has a key enabling role.

## **3.0 The Backdrop - Recession and growth**

The current recession has resulted in the UK facing one of its most turbulent economic times in recent history. This has resulted in businesses facing a challenging financing environment and struggling with the negative effects of the recession, particularly with bank lending declining and the implications the lack of funding has for long term investment growth.

The uncertainties in the Eurozone still remain a source affecting business investment decisions and has recently been cited as ‘the biggest single threat’ to the UK’s recovery.

## **4.0 Taking National and Local Action**

- 4.1 The Economy - growth is most sustainable when it is local. One of the roles of the public sector is to create a platform where the private sector fails or where public services are needed.
- 4.2 Localism - Local Government has a major role to play in shaping the local state. Localism and local action should be encouraged to consider local opportunities.
- 4.3 The Regional Development Agencies (RDA’s) followed a standard template which has been replaced with the autonomy given to the Local Enterprise Partnerships (LEPs). However, the limited funding available has the potential to inhibit local actions and responses.

## **5.0 Role of Government and Agencies**

Government action needs to be driven by strategy, joined up, consistent and sustained. It should involve all departments and agencies considering what they can contribute to the national effort in a clear, consistent and coherent way. Key considerations include:

- Establishing a cross departmental Government committee to oversee the growth effort, requiring each department to identify what it is doing and might do to support economic growth.
- Consider the role of the central state and local government to assess the benefits of secondments between Central Government and Local Government and also from Councils to Agencies (and vice versa) to develop an understanding of each other's roles and the opportunities to support and enable growth.

Key Government departments and Agencies to be corralled into this national project include:

- Highways Agency
- Department for Culture Media and Sport
- DEFRA
- HCA role nationally and locally
- Treasury role (though their priority must remain sound finance alongside supporting growth at a local and regional level)

Within these Government departments and Agencies the following questions need exploring:

- How much regulation is really needed and include sunset clauses in all new regulations
- What incentives might the department and agency introduce?
- What should each department and agency fund that will support growth?
- Which local companies have the potential to grow and might be supported as new local, regional or national champions?
- What steps might each department and agency take to support new clusters and supply chains through funds, positive procurement strategies?
- There is a need to recognise that all sectors have potential to support growth, whether public or private sector.
- What partnerships might be forged that can support growth?

It is welcome that the regional tier of Regional Development Agencies and Government Offices have been removed, but they did play a useful role as a conduit for regional issues to feed into the machinery of Government. This regional engagement needs to be stepped up and made more systematic, especially with the LEPs and MPs being engaged appropriately in this process.

### **5.1 The European Union role**

The EU is a powerful source of funds for development, regulations governing product development and state aids to limit unfair business support by the public sector that might



distort the Single European market. All public bodies are legally required to observe the state aid rules in developing their support for business.

State Aid in the EU is monitored and controlled by the European Commission. Member states are obliged to notify and seek approval from the Commission before granting State Aid. This gives the Commission the opportunity to approve or refuse to approve the proposed measure.

State Aid rules aim to ensure fair competition and a single common market. Giving favoured treatment to some businesses would:

- harm their business competitors and risk distorting the normal competitive market.
- hinder the long-term competitiveness of the Community by propping up inefficient, aid dependent companies.

## **6.0 Instruments and Tools for Growth**

### **6.1 Local Enterprise Partnerships (LEPs)**

By working in partnership with local businesses, business organisations and regional bodies such as South East Midlands Local Enterprise Partnership (SEMLEP) and Oxfordshire Local Enterprise Partnership (OLEP) Cherwell can contribute to putting in place the right support to secure continuous economic growth. The successful local delivery of this will depend on the quality of our analysis, conclusions and commitments.

We are concerned to secure a more systematic consideration of how LEPs might develop a role in supporting economic development in rural areas, particularly with regard to big strategic policy choices facing regional growth. However, local economic support is primarily a local level activity, bringing together planning (sites for investment, rural business units, town centre renewal, rural masterplanning, etc), tourism, support for local businesses and practical action to tackle unemployment such as Jobs Clubs.

There is a case for 'rural proofing' of LEP strategies against a standard national assessment template, to ensure the distinctive features of rural areas are maintained and strengthened.

SEMLEP is an ambitious, disparate grouping and is taking time to forge a common identity in a region which lacks a unified economy. One of the key features of SEMLEP is that it is not an established place; economic or otherwise. It lies between other more established places - Oxford, West Midlands, Leicestershire, Peterborough and the St. Albans - Stevenage arc. But, it does have a number of major urban economies - Milton Keynes, Luton, Bedford and Northampton, with Milton Keynes in particular being one of the most dynamic economies of the UK (a growth rate of 12.9% last year) - and does have potential to draw together new shared priorities and action (especially if supported by Government).

All LEPs should be encouraged to take the critical first step of developing an understanding of the nature of the place, the sub-region, its economy and people. What features are common across the area, the urban parts and the rural parts and how might the interdependency be developed strategically, and across borders with neighbouring LEPs that share common 'functional economies'? We are currently in a recession where the

economy is changing, but how is it changing? This understanding is critical for the SEMLEP being able to contribute to positioning for the economy of the future.

In short, examining the features of the SEMLEP region is a critical first step to identify:

- The state of its economy, major economic trends, strengths and weaknesses, threats and opportunities i.e. the economic strengths and weaknesses of the region and the key gaps to address?
- The common features of the area and which are atypical? I.e. what are the key clusters to build upon or develop? Such as F1 and the associated high value engineering supply chain; food and drink industries and Tourism.
- Whilst some ad hoc work between local authorities is beginning – e.g. in commissioning a skill-needs forecast - the best means to develop a statistical overview would be through commissioning the SEMLEP/OLEP Universities and centres of learning to develop a Regional Observatory or statistical/analytical forum to enable regular material to be published that examines the region as a whole.

From this analytical base it is then possible to identify the elements that are common across the SEMLEP for developing in the SEMLEP strategy, including:

- The need for high level skills
- The need for access to bank and investment finance
- How might the HE/FE sector be brought more fully and systematically into this process e.g. through technology transfer and a regional patent competition?
- The opportunity to move to a Green Economy
- What critical local priorities should be built upon

Ultimately LEP action (whether SEMLEP or OLEP) should be action that sits above local level activity and which adds value to it. The SEMLEP/OLEP should agree to that action which requires collective support and involvement.

In particular the SEMLEP/OLEP should be looking to take action which is distinct from other LEPs, not repeating the work of the Milton Keynes and South Midlands Growth Area (MKSM), or Oxfordshire County Council, but doing something new - such as seeking to maintain a high level of quality of life, closing economic gaps and securing influence with government.

### **Government support for this new locally driven - regional policy**

The reality of the creation of the LEPs is that they are a locally driven form of regional policy, expected to be led by private business but in fact very reliant upon local government resources.

Established in 1999, Regional Development Agencies (RDAs) were created with significant powers, funding and flexibility to allow them to develop and deliver tailored economic strategies and to secure better and more sustainable economic performance for their region.

Although the RDA's aims were to 'spread economic prosperity and opportunity', the nine RDA's had variable performances and were unable to establish a bridge to the perceived administrative gaps between central government and local authorities and attempts to rectify some of the long-standing regional imbalances within the UK economy.

The recovery from recession brings new challenges for local economies and the future levels of economic prosperity. The most successful local economies following a recession are those with high levels of innovation and knowledge-based employment. LEPs provide a role for strategic leadership in setting and addressing local economic priorities and this sits firmly within the Government's vision of growth for an economy recovering from recession.

The Government says it is committed to building a new economic model through the LEPs and aims to create a fairer and more balanced economy. There is a major opportunity to secure improved joint working between the different tiers of Government and local government. But the rhetoric needs to be matched with action. Securing economic growth and coming out of recession with a more balanced economy that is less reliant on banking, needs to be a clear national priority with national and local action that involves all sectors and the public and private sector working together.

In short, there is an opportunity to deliver a real step change in joint working between the tiers of Government and local government to ensure focus remains on delivering growth and new business opportunities.

The LEPs have the role and responsibility of empowering locally driven growth, encouraging business investment and promoting economic development. For local communities this means ensuring that everyone has access to opportunities that growth brings and everyone is able to fulfil their potential. There is a need for the LEPs to more explicitly show how their action is bringing economic gains to regional and local economies.

Other issues which the SEMELP or OLEP should pursue with Government include –

### **Strengthening the rural economy**

Pressing for a more systematic consideration by Government of how LEPs might develop a role in supporting economic development in rural areas particularly in pressing the case for the big strategic policy choices facing regional growth. But ultimately, economic development is primarily a local level activity, bringing together planning (sites for investment, rural business units, town centre renewal, rural Masterplanning, etc), tourism, support for local businesses and practical action to tackle unemployment such as Jobs Clubs.

There is a case for 'rural proofing' of LEP strategies against a standard national template, to ensure the distinctive features of rural areas are maintained and strengthened. Government should give greater recognition through its policies and funding streams to:

- the cost of transport tending to be higher in rural areas, from the average price of petrol to a higher cost of travel to work and training with a lower level of public transport provision.
- That there is a more limited provision of crèche and nursery facilities in rural areas which does not assist women's return to work.

- the cost of undertaking infrastructure by utilities tends not to receive the same priority as for urban areas and that infrastructure also tends to be older in rural areas. Infrastructure priorities and the importance of broadband were covered earlier.

Finally, there is a major importance for rural transport connectivity of maintaining rural rail links as rail franchises come up for review through to 2026 (anticipating that there will be pressure for service reconfiguration should the Government decide to proceed with HS2).

Bank lending for SMEs in rural England needs encouraging. Government should consider establishing new tax breaks that encourage venture capital support for rural economic investment.

There are other impediments to a successful rural economy, which may deepen as a consequence of the current planning and housing reforms including:

- A reduction of the level of affordable rural housing that can be required as a part of new developments (through the National Planning Policy Framework); at the same time that rental levels are increasing due to changes to the funding regime for social housing and reforms to the benefit system.
- Planning reform which aspires to create rural growth through enabling more house building without the commensurate infrastructure and accompanying employment sites, leading to further out migration and towns and villages becoming ever more dormitory, rather than dynamic sustainable communities. Furthermore, existing employment sites are also going to be increasingly vulnerable to changes of use, without a formal role from the Council as Planning Authority, reducing the availability of employment sites close to villages and Market Towns, with the risk of increasing levels of longer distance commuting to employment premises.

**Improved coordination of Inward Investment** – There is a need to improve coordination of enquiries. The UKTI made a recent presentation to the SEMLEP officer group regarding future co-ordination of Foreign Direct Investment (FDI) enquiries. SEMLEP covers a wide area with many different types of economies, so putting forward sites via the same arrangements we currently use with all general enquiries could work better and this is being discussed. CDC already has close links with OLEP on the forwarding of inward investment proposals and receives a number of enquiries direct from developers and investors and is discussing how the process might improve.

**Enterprise Zones** – as proposals for new Enterprise Zones are taken forward it will be important to ensure that they do not displace investment at non EZ sites; for example the Science Vale and Northampton EZs should complement the major employment growth at Bicester and Banbury. Already we are hearing alarming intentions of business to move from our District into OLEP's nearby EZ for several years before then moving out when the financial incentives cease. This does not appear to be sustainable economic development! A degree of coordination of site marketing by SEMLEP members would also seem wise to avoid duplication and wasted effort.

- Small Business Support – With the services provided by Business Link being scaled back from November 2011 and the number of self-employed residents having

increased, we need some form of support provision that start-ups and existing small businesses can access.

In the medium to longer term SEMLEP/OLEP should consider the creation of a regional Investment fund to support business innovation and the take up of technology transfer from Universities in the region. Cherwell has a wide range of rural business units that are well placed to be attractive locations for the provision of incubator units to site spin-off companies. Government support for this type of initiative would be welcome.

Tourism has a major role to play. One means to strengthen the economy of the Market Towns across SEMLEP/OLEP would be to engage in marketing Market Towns as a regional network, places to visit for shopping and tourism of different types.

## **6.2 Finance for growth**

Project Merlin was meant to boost access to finance for businesses and make banks lend to boost business and jobs. However the reality is the banks failed to reach lending targets and rejected the increasing number of businesses seeking access to finance since the financial crisis began. In an area with falling unemployment and where stable, growing companies cannot access funds such as South Northamptonshire this is an extraordinary state of affairs.

There is a need for an alternative approach, a new Government intervention which is designed to increase the supply of bank lending to business and address the market failures affecting SMEs raising finance. A new national investment bank would be one step and using it to by-pass high street banks which are showing no interest in supporting their local economies. The Coalition has talked about increasing support for mutual and this may have a role to play. But the overwhelming priority is to ensure that government access to finance schemes is targeted at correcting market failure and ensuring that the market mechanism in the supply of finance to SMEs is functioning.

One further step would be to use the tax system to strengthen incentives for company investment. Tax incentives for company investment and innovation and the market application of new patents would be one steps to take.

The debate about 'fairer funding' shows the cost of providing rural services to scattered and isolated communities is higher than for urban areas as the economies of scale are not available.

The implementation of the retention of business rates will necessitate a change to the relationship between local government and local businesses. This new relationship is in its infancy but Government has a useful role to play in supporting the exchange of best practice and ensuring that effective, locally innovative approaches are encouraged elsewhere too.

Business rate retention is also likely to prove a powerful incentive for local action by Local Planning Authorities on encouraging land release for economic development, this incentivisation needs to be carefully managed to avoid creating an over-supply that fails to secure the economic development intended, leading to change of use and increased housing in potentially inappropriate locations.

### **6.3 Evidence based policy**

The creation of a UK Infrastructure Plan for the first time by the Coalition Government is a long overdue first step in identifying how different investment priorities sit together. Likewise the UK Governments Growth Plan is comprehensive and powerful in its 4 aspirations. These plans need to be reported on, their impact and effectiveness assessed as well as the LEPs, local authorities and business organisations encouraged to submit new ideas in the preparation of future editions.

What would be useful for developing this on a more systematic basis would be to build from a spatial analysis that is regularly updated to highlight challenges and opportunities, for example the suite of UK wide maps produced recently by Newcastle University for the RTPi.

Cherwell District benefits from a highly skilled workforce, good education rates and low deprivation. The District has a number of strong assets, in particular manufacturing in Banbury, the success of the Bicester Outlet village and presence of Motorsport and High Performance Technology sector. It also enjoys a strong tourism sector which supports many local jobs.

The analysis which accompanies the Cherwell Economic Development Strategy shows trends and highlight strengths we can build upon and weaknesses we should address. It enables us to monitor progress with the delivery of the overall Economic Development Strategy.

Our Market Towns of Bicester and Banbury are both attractive traditional market towns. However, like most Market Towns they face challenges in the current economic climate and from the changing needs of shoppers. Both Towns now have adopted Masterplans which set out clear visions for the way these towns will develop in the future.

Central to this work was a consideration of ensuring how the employment needs of the towns into the future can be met. This is not just about keeping pace with planned housing growth, but an end in itself of ensuring local companies can grow and ensuring that land is available to meet inward investment potential too. It also seeks to reduce the current level of out-commuting and seeks to retain this outflow within the town.

Both the Town Masterplans and the proposed submission Local Plan for Cherwell (which sets the development framework for Cherwell) have a major role to play in supporting economic growth. They contain proposals (and detail) for new land release for strategic developments that include housing and employment, together with education, health, greenspace and leisure as appropriate in detail site by site.

### **6.4 The role of planning for enabling growth**

An agreed development framework is critical as it gives certainty to investors and communities. Land use and economic development go hand in hand.

The aspirations of much of the current Government planning reforms are to be welcomed – bringing simplicity, greater community involvement, but also seeking to ensure a focus on sustainable development where supporting growth in appropriate locations is a central theme of what the Planning system tries to achieve.

The National Planning Policy Framework (NPPF) has passed much of the decision making down to the local level which is to be welcome, but up to date local evidence is key. Likewise Neighbourhood Planning is turning the planning system from being top down and mechanistic, to one that is bottom up and involving the community.

The development of Masterplans for the two Market Towns of Bicester and Banbury and other policy modernisation have been used at Cherwell District Council as practical steps to consider how best to shape development, to guide growth, to plan for community needs and to ensure community support for growth.

Local Plans are a critical foundation for identifying locations of growth, building on locational advantages, responding to economic trends and what is needed to support growth in the future. But area marketing is essential to secure the benefits of land release to deliver the identified ambition and aspiration..

Masterplans for guiding town growth in Cherwell District have proved to be a useful basis for securing developer, agency and community agreement on the priorities for area development. But they need clear action plans for delivery. They should form part of the national approach to not just releasing planning policy constraints, but to ensuring that planning of towns is considered holistically.

National Government might give consideration to developing a standard template for developer contributions to ensure development certainty.

Finally, there are other impediments to a successful *rural* economy, which may deepen as a consequence of current Planning and housing reforms including:

- Planning Reform which aspires to create rural growth through enabling more house building without the commensurate infrastructure and accompanying employment sites, leading to further out migration and towns and villages becoming ever more dormitory, rather than dynamic sustainable communities. Existing employment sites are also going to be increasingly vulnerable to changes of use, without a formal role from the Council as Planning Authority, reducing the availability of employment sites close to villages and Market Towns, with the risk of increasing levels of longer distance commuting to employment premises. The impact of such changes will need to be monitored.
- 'Localism' is an important challenge, requiring more active community engagement by the public sector, to listen, negotiate, to understand community needs and to more effectively plan ahead. This can be expected to be more difficult in practice than in theory.
- Government policy guidance constantly presents a uniform metropolitan view for England as a whole. It simply fails to consider why Rural England matters as a

distinctive entity, a modern place, with opportunities and challenges that are different to that faced in urban England. Guidance for planning in a rural area should give prominence to how 'standards of living' are best maintained, high employment levels retained, landscape character maintained (the industrialisation of rural England by wind turbines is ignored by the planning system as many communities are finding) and the relationship between market towns and villages is supported, supporting a modern 'rural' economy. Much of Rural England does not just aspire to be Urban.

## **6.5 Housing as an economic driver**

Housing growth and economic policy are interlinked. The flaw with the previous Governments focus on housing targets to meet demographic change was a failure to take stock as to whether intervention might be required to shift growth from one location to another. In particular, failure to arrest the decline of the north of England while at the same time seeking to accommodate the continued growth of the south of England is to fuel 'over-heating' in the south.

The economy has to come first. The current need for a 5 year land supply needs to be reassessed through a more considered economic strategy for the UK that priorities economic growth for the north of England. We need to have multi-polar growth, not just one region that drives the national economy. This is strategically dangerous as creating a housing bubble to drive growth.

Finally, there are other impediments to a successful rural economy, which may deepen as a consequence of current planning and housing reforms including a reduction of the level of affordable Rural Housing that can be required as a part of new developments (through the National Planning Policy Framework); at the same time that rental levels are increasing due to changes to the funding regime for social housing and reforms to the benefit system.

## **6.6 Location and Transport**

There is a need for a recognition that the cost of transport tends to be higher in rural areas, from the average price of petrol to a higher cost of travel to work and training with a lower level of public transport provision.

The importance of maintaining rural rail links as rail franchises come up for review through to 2026 (anticipating that there will be pressure for service reconfiguration should the Government decide to proceed with HS2).

Firstly, as a statement of intent this is going in the right direction. But, there is also a need to ensure the proposed Local Transport Boards involve District Councils as well as County Councils, given the District Council role as Planning Authority with the leading role in shaping housing and economic growth in their areas.

Overall coordination is definitely needed between Counties and within them. The whole Local Transport Plan process needs revision and if this is a step towards greater transparency and strategic leadership than we have seen over the past 5-10 years that can only be a good thing.



Local Infrastructure Plans are a good idea as a starting point, but should build on the Infrastructure Plans within the Local Plan/Core Strategies – there is no need to duplicate what already exists and these documents already have detailed, costed plans with timetables for delivery.

The major priorities for CDC with regard to road infrastructure within the district are Junctions 9 & 10 on the M40, both of which are key elements of the strategic road infrastructure and improvements should provide benefits to the national economy..

There is a need to look at delivery matters, both funding as SEMLEP and OLEP have been doing through the Regional Growth Fund and DfT Pinch Point programme, but also whether are opportunities to shift what is delivered between different tiers. The Highways Agency should be pressed to pass some of its responsibilities and oversight down to the SEMLEP/County level and some of the local responsibilities down from County to District level.

If LEPs are to play a useful role, they should provide an overview of the economic impact of proposed infrastructure planning linked to their other funding mechanisms to ensure that economic gains are maximised.

## **6.7 Supporting a Low Carbon Economy**

Supporting a low-carbon economy is central for providing new opportunities in the key future growth industries and will contribute to transforming the UK's economy. A low-carbon economy would change the industrial landscape and the supply chains of businesses, as well as benefitting the bottom line through more efficient resource use and waste minimisation. Reducing use of fossil fuel reduces costs to business and shift to low carbon production creates opportunities for new business sectors to grow. But, we need to ensure that existing businesses are equipped to maximise the economic opportunities and minimise the costs of the transition, as well as supporting businesses to face the challenges and opportunities that adapting to climate change brings. Practical advice and support from BIS would be welcome, particularly in working with us to create the nationally significant 'exemplar' Bicester Eco Town.

There is also growing need to find ways of reducing the reliance of energy which comes from fossil fuels, oil, coal and gas, whilst balancing the need for continuing economic growth and prosperity. Energy is expensive and becoming increasingly unreliable and its supply is finite and its use produces polluting gases. There is an increasing need to move to a lower carbon lifestyle which is kinder to the environment and makes us more self-sufficient.

But, in looking to secure alternative sources of energy generation, the current tariff for wind turbines distorts the market and fundamentally compromises the advantages that unspoilt countryside has as part of a growing tourism effort (a far more significant economic gain). Accelerating micro generation is a much more appropriate policy response to the energy challenge.

## **7.0 Themes for Growth– building on the Cherwell Experience**

Any actions for Growth will require clear themes and co-ordination. The experience of Cherwell District Council is that resources can be maximised by combining the strengths of

the private and voluntary sectors with the public sector. Indeed, the community leadership role of local authorities is at the heart of the Cherwell Economic Development Strategy (2011-16). For the Action Plan to succeed, we need as much stability within investment programmes as possible.

Government action should be driven but not constrained by the outcomes it seeks to achieve such as the numbers of new jobs to create or Gross Value Added required. In addition, the Implementation of Government strategy should be about being ambitious and more proactive in securing the economic investment needed across the UK to achieve the move towards a high value, high wage, greener, high technology manufacturing based future with provision made for company growth, inward investment and sites for a range of company sizes from small businesses through to the larger multinationals.

We believe that the prosperity of Cherwell will be created through:

- Innovation
- Creativity
- Entrepreneurship

Cherwell's local Economic Development Strategy provides a strong framework comprising three 'golden threads':

### **Thread One) Ensuring a diverse and resilient economy**

Cherwell is a prosperous district with very low unemployment. Much of the economic stability we have experienced has come from small and medium sized businesses and these businesses need continued support so that they are maintained. We also need to continue to attract new and innovative businesses to the district and retain the population through a range of work opportunities. Lastly we need to ensure that our population is skilled enough to take up these opportunities, can live locally and have transport to get to work.

### **Thread Two) Building a strong and flexible partnership culture which acknowledges capacity but 'adds value' by working together effectively**

There is an established culture of co-operation in Cherwell with a strong track-record of taking both proactive and timely reactive steps to address economic 'shocks'. It is upon this positive culture and new opportunities through Local Enterprise Partnerships that action will be based, enabling a flexible and responsive approach to be taken, through effective community leadership.

### **Thread Three) Maximising the 'green economy' benefits arising from Eco-Bicester**

In maintaining the global competitiveness of Cherwell's economy, we are looking to sustain an environment in which people choose to live, work and visit. As energy costs rise and regulations tighten, the 'green economy' will be synonymous with the whole economy. Individuals, businesses and locations will have to be resource and energy efficient to survive and to compete. We have a unique opportunity to be at the forefront of sustainable community development through Eco-Bicester, and to spread the benefits across the whole district.

We have divided our actions into a series of interlocking developmental themes:

- **7.1 Theme One: People** (skills development, work readiness, help to find work)
- **7.2 Theme Two: Business** (entrepreneurship, enabling success, attracting investment)

- **7.3 Theme Three: Place** (provide transport and housing infrastructure, support rural areas and develop key urban sites)

## 7.1 Theme One: Developing People

### i) Creating employment

Private businesses are leading the creation of new employment and public partners are ensuring that the conditions for growth and help and advice, is available. This includes services to enhance skills and to support entrepreneurs.

*Together in Cherwell we are:*

- o **Creating local job opportunities** for the predicted increase in the local resident population.
- o **Maintaining the low unemployment rate** in the district.

### ii) Providing access to Employment

Creating jobs is insufficient to ensure a prosperous economy. We are helping young people avoid being 'not in education, employment or training' (NEET), helping people with basic skills to enter into work for the first time, return to work with new skills and to use those skills and experiences throughout life to progress as individuals within a strong society.

*Together in Cherwell we are:*

- o **Raising expectations and ambitions** and providing a range of economic opportunities for everyone including lifelong learning and retraining.
- o **Developing Job Clubs** to improve access for economically inactive people to skills, training, enterprise and employment opportunities.
- o **Helping young people into employment, education or training** by providing alternative routes to economic activity.

### iii) Enhancing Skills

To maintain our diverse and resilient economy, skills development is about improving productivity, efficiency, and adding value. Through the recession, however, the challenge has also arisen to help provide individuals with the basic skills, knowledge and support to enter and return to work.

*Together in Cherwell we are:*

- o **Developing relationships with local employers** as partners in addressing education and skills issues, meeting future needs and supporting key local sectors.
- o **Providing, encouraging and supporting skills** and training needed to develop Eco Bicester, to attract businesses and to develop a competitive low carbon economy.

## 7.2 Theme Two: Developing Business

### iv) Promoting business start-up and entrepreneurship

With increasing reliance now placed upon private sector job creation, both self-employment and entrepreneurship are vital to our economy.

*Together in Cherwell we are:*

- **Increasing the numbers of new businesses forming**, fostering enterprise through Oxfordshire Business Enterprises, enabling all residents considering starting a business to gain help and support, smoothing the start-up process and ensuring early survival.
- **Enabling high skill and high tech entrepreneurship** through Oxford Innovation and other local support networks,
- **Supporting the early survival and growth of enterprises**, through developing the network of agencies, banks and other professional advisers, training and education providers and local authorities.
- **Embedding an entrepreneurial culture in our young people**, through programmes such as Young Enterprise, increasing the number of young people involved in these programmes.

**v) Developing local procurement and supply chains**

The public, private and increasingly social elements of a resilient economy should ensure that the exchange of products and services can involve all potential providers to contribute, allowing 'value for money' to be identified, especially where it contributes to circulation of wealth locally.

*Together in Cherwell we are:*

- **Maximising opportunities for the private and social sectors** to supply to the public sector.
- **Assisting businesses to identify local supply chains.**

**vi) Promoting business & cluster development**

It is recognised that businesses geographically related and operating in a broadly similar field have much to gain by working in partnership. By pooling resources and knowledge, whilst reducing costs, collaborative actions can create competitive advantage for Cherwell through the growth of private sector-led employment, enabled by the public and social sectors where necessary.

*Together in Cherwell we are:*

- **Continuing to support the growth of established clusters** locally involved with the bio-medical, nanotechnology, materials engineering, motor-sport and other high-technology sectors, identifying key areas for co-operative development, and identifying further clusters.
- **Developing and integrating a new 'green employment cluster'** in and around Eco Bicester as part of the transition to a low carbon economy.
- **Engaging with our small, medium and large businesses** to understand what support we can give them to stay and grow here into higher performing businesses.
- **Supporting businesses in conforming to regulations** and avoiding 'red tape'.

**vii) Attracting new investment**

A key part of the success of the Cherwell economy since 1990 has been the concerted drive to attract inward investment to build today's local economy which has proven, through facing recession, to be 'resilient'. Our partnership services and

networks are operating to overcome obstacles in the delivery of further sustainable investment.

*Together in Cherwell we are:*

- **Continuing to enable investment** by inward investors and existing businesses in north Oxfordshire through our Cherwell-M40 Investment Partnership (CHIP), LEPs and by maximising the use of the private and public sector's resources.

#### **viii) Developing a 'World Class' Business Community**

We are supporting and facilitating the internationalisation of our businesses, by engaging local businesses with UKTI and giving them access to specialist knowledge and support, opportunities and markets.

*Together in Cherwell we are:*

- **Promoting the benefits of international trade** by bringing experienced exporters and traders together with novices and professional services to share experiences, develop knowledge, collaborate and exploit opportunities.
- **Maximising the value of overseas links** formed through civic activity or other networks.

#### **ix) Developing the Visitor Economy**

The visitor economy is a unique sector comprising not only of attractions and overnight accommodation but also part of the transport, catering and retail industries. The visitor economy is an important part of the locality, providing expenditure, facilities, services and opportunities that might not otherwise exist whilst improving businesses and infrastructure for local residents to also use. There is also great potential to generate wealth by drawing in expenditure from visitors arriving from outside the region and, in particular, from outside the UK.

*Together in Cherwell we are:*

- **Working in partnership with businesses and tourism bodies to enhance and develop our tourism product, maximising the value whilst minimising any negative affects.**

### **7.3 Theme Three: Developing Place**

#### **x) Promoting employment sites & premises**

The successful Cherwell-M40 partnership brought together public and private sector partners, enabling the paced development and occupation of commercial property to meet demands from employers. We will seek to protect existing allocations of land for new employment generating development, and ensure sufficient new land is available through the Local Plan to accommodate economic growth.

*Together in Cherwell we are:*

- **Providing sufficient quantity, quality and choice of employment land and premises** to accommodate the expansion needs of existing and future employers, across a diverse range of activity, whilst protecting established and identified employment sites.
- **Supporting businesses through the planning process**

- **Enhancing business environments** to encourage a virtuous cycle of upgrading of premises to encourage further investment, reducing the number of vacant units and enhancing economic activity.

#### **xi) Managing our infrastructure development**

The quality of communications links is one of the key economic drivers in our district. Transport and telecommunications provide the key link to markets that businesses require and maintaining and improving those connections is a vital task for economic development to take place.

*Together in Cherwell we are:*

- **Enhancing key transport infrastructure** to support business efficiency.
- **Enhancing telecommunications** to support business and home-working throughout Cherwell.
- **Enabling a good supply of housing** and a wide range of affordable housing opportunities to ensure that housing provision is able to support the development of the local economy.
- **Ensuring that utilities to all businesses meet present and future need**, particularly in the older industrial areas where power and water/sewage supplies can become inadequate.
- **Developing Eco-Bicester** as an exemplar of innovative transport and communications.

#### **xii) Supporting rural areas**

Service businesses, such as shops, post offices and public houses in villages, can often face commercial challenges yet are very important in providing a valuable community hub, services and local employment opportunities.

*Together in Cherwell we are:*

- **Implementing Cherwell's Rural Strategy**, including support to rural businesses and employees.
- **Developing access to highspeed broadband** through the OxOnline (BDUK) programme, engaging businesses and communities to ensure the whole of the district is a competitive place to live, learn, visit and do business.

#### **xiii) Supporting urban centres**

Our three Urban Centres, Kidlington, Bicester and Banbury, play a pivotal role in the economic life of the District. They form hubs around which our economy revolves, as meeting points for communications, and providing a critical mass of property, businesses and local customers.

*Together in Cherwell we are:*

- **Maximising the benefits of co-operation** between local chambers and business networks to build relationships with each other, and with public and community partners.
- **Promoting the economic vitality** of centres through successful services, shops markets and events.
- **Undertaking regeneration** schemes and actions to enhance the attractiveness and success of the centres.

- **Maximising use of public & community assets** in support of the local economy.
- **Developing local business leadership further** and align economic actions.
- **Undertaking key development projects**, including the 'Bicester Town Centre Regeneration', and in Bnabury the 'Brighter Futures' programme, 'Cultural Quarter' development, Canalside and Bolton Road redevelopment.
- **Maximising the unique advantages of Kidlington:** promoting the benefits of the airport, University of Oxford's Begbroke Science Park and its proximity to Oxford in supporting local business growth.

The aims and themes shown above are being addressed through our actions locally. We work closely with both of our LEPs, with BIS Local and with our MP, Sir Tony Baldry.

Whilst we are not blessed with Enterprise Zones to tempt 'footloose' growth, Cherwell partners have invested over the years in creating the drivers of sustainable economic growth. Our airport, university science park, college, innovation centres, business groups and active partnerships have led the way - but there is more to do.

To realise our full potential as a driver of not only the local economy but also the national economy, Cherwell would welcome closer working with Government to achieve mutual goals.

Cherwell District Council  
September 2012.

This page is intentionally left blank



## Executive

### **2013/14 Budget Strategy, Service & Financial Planning Process and 2013/14 Budget Guidelines including Local Government Resources Review (LGRR) Update**

**1 October 2012**

#### **Report of Head of Finance and Procurement**

##### **PURPOSE OF REPORT**

To inform the Executive of the service and financial planning process for 2013/14, approve 2013/14 budget strategy and to agree budget guidelines for issue to service managers to enable the production of the 2013/14 budget and update the current position of our LGRR project.

This report is public
-----------------------

##### **Recommendations**

---

The Executive is recommended to:

- (1) Note the updated MTF5 forecast for the Council's revenue budget for 2013/14 to 2016/17.
- (2) To endorse the overall 2012/13 budget strategy and service and financial planning process set out in the report.
- (3) Consider and agree the proposed budget guidelines and timetable for 2013/14 budget process. (Appendix 1 and 2)
- (4) Note the current position in relation to council tax support localisation detailed in Para 2.12.
- (5) Note the current position in relation to business rates localisation detailed in Para 2.17.

##### **Executive Summary**

---

- 1.1 The service and financial planning process is underpinned by a robust evidence base that is used to inform decision making. This evidence base includes a social and demographic profile of the district (Living in Cherwell and local profiles on the Oxfordshire Local Information System) and a corporate consultation programme.
- 1.2 The consultation programme is comprised of an annual customer satisfaction survey and a budget survey to understand people's priorities for

service expenditure. Both pieces of research are statistically representative and produce robust information regarding resident's budget priorities and satisfaction with the different services the Council provides. The information, refreshed annually, provides a sense of trend and captures new issues that need to be taken into account when service and financial planning.

- 1.3 The results of the public consultation are used to develop a prioritisation framework which, alongside the corporate strategy, medium term financial forecast and the corporate plan, provides the context for budget setting and service planning. The consultation exercise is due to conclude at the end of September 2012 and the outcomes will be reported to the November Executive along with the prioritisation framework for 2013/14.
- 1.4 The Council needs to set guidelines and a timetable for the preparation of draft estimates for 2013/14. These guidelines should support the objectives contained in the Corporate Plan, Service Plans and enable an update to the Medium Term Financial Strategy.
- 1.5 In the context of the current challenging economic climate the council alongside local residents and businesses are experiencing the effects of the economic downturn and preparing for the impact of the local government resources review and forthcoming changes to the welfare system. We have made a public promise to reduce expenditure by £0.8m in 2012/13 and as such it is important we continue to plan for a period of prudent budgeting.
- 1.6 The Executive are already well advanced in planning to meet this promise. However additional savings will be required to meet the national challenge of public spending reductions. Executive and JMT are preparing options for these further savings.
- 1.7 The attached guidelines in Appendix 1 proposed for the coming year provide a framework to identify areas of potential cost reductions across the organisation informed by our public consultation, previous investment, value for money reviews and our strategic priorities.
- 1.8 The budget timetable can be seen in Appendix 2.
- 1.9 Updates to this report will be brought before Executive and Council between December 2012 and February 2013.
- 1.10 In September 2012 the Executive received an update report on the Local Government Resource Review (LGRR) including the introduction of localised Council Tax Support to replace Council Tax Benefit and changes to the way in which business rates are collected and distributed. Para 2.12 onwards provides members with updated information on progress since the last report.

## **Background Information**

---

### **Medium Term Financial Strategy**

- 2.1 We continually update our medium financial strategy and model scenarios with the Executive members and Joint Management Team to test our planning rigorously. The last public forecast can be seen along with assumptions in the Budget Report to Full Council in February 2012 which reported a cumulative budget deficit over the life time of the MTFs of £5.2m.

- 2.2 All known cost pressures are built into the model and assumptions are made for unknown pressures. This modelling leads directly to a target for cost reduction 18 months or so before the savings are required. The target to be achieved during 2012/13 is £0.8m – our public promise.
- 2.3 With regard to the medium term, there are a number of pressures not least the LGRR and welfare reform changes facing the Council, which, amongst other things, requires increasing efficiencies and restrictions on council tax increases. Against this backdrop the expectation is that, future year's budgets will come under increasing pressure with a growing emphasis on prioritisation, efficiency, innovation and collaboration in service delivery. The Council may therefore face difficult decisions in later years in order to sustain a balanced budget over the medium term.
- 2.4 As part of the development of the MTFS and budget, analysis is undertaken of the key financial assumptions on which the budget will be based. The key areas covered included:
- Economic factors, such as inflation
  - Treasury Management, including interest rates
  - Demographic pressures on spending
  - Asset Management, including a review of the Council's portfolio
  - Other spending pressures opportunities (revenue and capital)
- 2.5 Using the assumptions presented at the Horizon Scanning Workshop help with the Executive and JMT in September 2012, the cumulative summary now shows a shortfall of £7.8m over the 4 year period and is summarised below:

Cumulative forecast	13/14	14/15	15/16	16/17
	£m	£m	£m	£m
Savings requirements	1.1	1.4	2.3	3.0
<b>Cumulative</b>				<b>7.8</b>
Periodic	1.1	0.3	0.9	0.7
<b>Total reduction required</b>				<b>3.0</b>

- 2.6 Utilising this updated forecast and considering the Council's priorities the 2013/14 budget strategy and guidelines are prepared.
- 2.7 The Medium term Financial Strategy I currently being refreshed to take account of the LGRR and the strategy along with a forecast refresh will be reported as part of the budget reporting framework.

### **2013/14 Budget Strategy, Budget Guidelines and Timetable**

- 2.8 The Council needs to set guidelines and a timetable for the preparation of draft estimates for 2013/14. These guidelines should support the objectives contained in the Corporate Plan, Service Plans and the Medium Term Financial Strategy which is currently being refreshed and will be presented for approval in December 2012.
- 2.9 The attached guidelines in Appendix 1 proposed for the coming year provide a framework to identify areas of potential cost reductions across the organisation informed by our public consultation, previous investment, value for money reviews and our strategic priorities.

- 2.10 The associated budget timetable is detailed in Appendix 2.
- 2.11 Council will be asked to agree the 2013/14 budget and corporate plan (and the service plans that underpin delivery) at their meeting in February 2013.

**Local Government Resources Review Update**

- 2.12 In September 2012 the Executive received an update report on the Local Government Resource Review (LGRR) including the introduction of localised Council Tax Support to replace Council Tax Benefit and changes to the way in which business rates are collected and distributed. This summary provides members with updated information on progress since the last report.

**Council Tax Localisation**

- 2.13 Given the timescales involved Cherwell District Council has agreed with other major preceptors in Oxfordshire that for year 1 of the new scheme the status quo should be maintained and that there will, in effect, be no change to the current support which is in place. Proposals to offset the budget reduction will be prepared as part of the 13/14 budget process.
- 2.14 A public consultation started on Thursday 23<sup>rd</sup> August 2012 and will end on Wednesday 3<sup>rd</sup> October. The results from the consultation process will be presented to the Executive in November 2012.
- 2.15 The table below outlines the proposed timetable for Council Tax Reduction Scheme:

23 <sup>rd</sup> August 2012	Consultation began
3 <sup>rd</sup> October 2012	End of consultation
9 <sup>th</sup> October 2012	Response to Tax Base consultation
November 2012	Report to members on results of consultation and recommendation for 2013/14 scheme
November 2012 – Jan 2013	Implementation – including system changes, updating processes, documentation and plans for annual billing process and communications.

- 2.16 A technical consultation document has been published on the impact of this change on the Council Tax Base. Responses are required by 9<sup>th</sup> October 2012 and work on a response from Cherwell District Council is in progress – this will be discussed with the Lead Member for Financial Management and submitted by the deadline.

**Business Rates Localisation**

- 2.17 The proposals focus on the distribution of business rate income rather than changes to the system of business rates. Businesses will see no difference in the way in which they pay or the way in which the tax is set.

- 2.18 Each authority will receive in 2013/14 a level of funding from the Government but these figures have not yet been confirmed and are not likely to be known until late November/December 2012.
- 2.19 Of the Business Rates collected by each authority the first 50% will go to the Government. Up to 50% may go to District council (subject to the levy on disproportionate benefit) as the business Rates baseline. There will be a system of top-ups and tariffs.
- 2.20 The Council confirmed its intention to consider pooling in a response to the DCLG in September on the basis that if we were to pool the levy rate that we have at 87% would be substantially reduced to circa 25-40% which would mean more funding for the local area. However with this additional reward come additional risks. At this stage all council's with the exception of Oxford City have agreed to consider making a formal application to pool by the 19<sup>th</sup> October 202 deadline.
- 2.21 We are in regular discussion with the three district councils and the County to develop the financial models, understand what additional financial benefits a pooling arrangement could deliver, what the risks are, agree the principles of the proposed pool and how any additional funds should be shared.
- 2.22 The outcome of this modelling will be reported to members with a recommendation on whether to formally submit an application to pool by the deadline of 19<sup>th</sup> October 2012. It is important to note that if any member of the pool should withdraw when the financial position and level of funding is confirmed in November/December then the pool will collapse.
- 2.23 A technical consultation paper has been released which requires a response by 24<sup>th</sup> September 2012 and the outputs will feed into proposals for local government funding for 2013/14. The response was approved for submission by the Leader of the Council and Lead Member for Financial Management.

## Implications

---

<b>Financial:</b>	These are contained in the body of the report. There are no direct costs or other direct financial implications arising from this report.
<b>Legal:</b>	None directly from this report however a local authority must budget so as to give a reasonable degree of certainty as to the maintenance of its services. In particular, local authorities are required by section 32 of the Local Government Finance Act 1992 to calculate as part of their overall budget what amounts are appropriate for contingencies and reserves. The Council must ensure sufficient flexibility to avoid going into deficit at any point during the financial year. The Chief Financial Officer is required to report on the robustness of the proposed financial reserves.  Comments checked by Kevin Lane, Head of Law and Governance, kevin.lane@cherwellandsouthnorthants.gov.uk
<b>Risk Management:</b>	The Council is required to set both revenue and capital budgets. Failure to integrate the preparation of these budgets with service priorities and planning will compromise the Council's ability to deliver on its strategic objectives.

Comments checked by Denise Taylor, Corporate Accountant, 01295 221982.

**Equality and Diversity**

Impact assessments will be carried out in advance of formulation of budget proposals.

Comments checked by Caroline French, Equalities and Diversity Officer, 01295 221586.

**Wards Affected**

---

All

**Corporate Plan Themes**

---

All

**Executive Lead Member**

---

Councillor Ken Atack  
Lead Member for Financial Management

**Document Information**

---

<b>Appendix No</b>	<b>Title</b>
Appendix 1	Proposed Budget Guidelines 2013/14
Appendix 2	Budget Timetable
<b>Background Papers</b>	
None	
<b>Report Author</b>	Karen Curtin, Head of Finance and Procurement Beth Baines, Strategic Finance Accountant
<b>Contact Information</b>	<a href="mailto:karen.curtin@cherwelland.southnorthants.gov.uk">karen.curtin@cherwelland.southnorthants.gov.uk</a> 0300 0300106 <a href="mailto:beth.baines@cherwelland.southnorthants.gov.uk">beth.baines@cherwelland.southnorthants.gov.uk</a> 01327 322223

## GUIDELINES FOR THE PREPARATION OF THE 2013-14 BUDGET

### Principles

- Protect Frontline Services
- Focus attention on corporate and service priorities and improving performance
- Maximise joint working potential
- Maximise Procurement Opportunities and Contract Negotiations
- Consideration to be given to impacts of Localism, Reform Agenda's and any legislation changes.

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

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

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

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

### Budget Deliverables

1. Prepare and submit draft revenue estimates for 2013/14 and the next 3 years (4 year forecast) which fully reflect the service priority and consultation event findings and match the current duration of the MTFs.
2. Prepare and submit a draft four-year capital programme. All schemes to carry a full project appraisal including strategic objective, priority, value for money assessment, and details of any revenue impacts. All capital project appraisals will be validated by the Resources Performance Scrutiny Board. All schemes previously approved for commencement in 2012/13 and onwards will be carried through for consideration.
3. The 2012/13 projected outturn at September 2012, adjusted to take account of the full year effect of savings identified in setting the 2013/14 budget, and one off items will be assumed to be the "**base budget**". This will then be further adjusted for savings identified within the Executive's £0.8m promise action plan. The budget will be prepared by the Service Accountant and signed off by Head of Service.

4. The final draft of the budget should be accompanied by a one page word document which will include key expenditure indicators, efficiency targets and overview of service and key projects for 2013/14. This template will be sent out in December 2012 for completion.

### **Budget Timetable**

The revenue and capital budget is agreed by full Council before 11 March each year. The 2013/14 budget will be considered at Council in February 2013. (or Reserve – March 2013)

A summary timetable is attached in Appendix 2. This timetable dovetails with the service and financial planning timetable.

### **Revenue Budget Guidelines**

#### **Income**

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

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

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

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

### **Growth**

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

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

- Provide for general inflation in 2013/14 on all expenditure (excl payroll) and fees and charges as per forecasts in our MTFS model and will be used in the budget module as below:

<b>Year</b>	<b>CPI %</b>
2013/14	2.5%



2014/15	2.5%
2015/16	2.5%
2016/17	2.5%

Current CPI at August 2012 is 2.5%

- Payroll - there is currently no local agreement in place and negotiations will commence in Q3. We will therefore provide for payroll inflation as detailed below until such time as the outcome of these negotiations is known.

Year	%
2013/14	2.0%
2014/15	2.0%
2015/16	2.0%

- Council Tax should be forecasted with 0% increases and held at 2009/10 levels.

Year	CPI %
2013/14	0%
2014/15	0%
2015/16	0%
2016/17	0%

- Interest rates should be forecasted as below:

Year	Average Interest Rate
2013/14	1.75%
2014/15	2.00%
2015/16	3.00%
2016/17	3.00%

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

## Savings

Over and above the £0.8m public promise, each Directorate is required to work up a full range of budget savings options for consideration that will result in a cumulative 2% reduction in the Directorate's controllable expenditure.

These options will be presented as potential Budget savings. A standard template will be provided (requesting information on lead-in times, one off costs and impact on priorities, services and policies).

Directorates are encouraged to be "free thinking" in drawing up options which:

- identify opportunities for new efficiency savings, consistent with the requirements of the Efficiency Savings Review process.

- identify areas with reducing levels of income and identify opportunities for reducing corresponding expenditure.
- challenge current methods of service delivery and identify alternative ways of providing services.
- challenge existing policies and service levels so a complete range of service reductions are identified.
- have considered every issue relating to the potential saving (including lead-in times, one-off costs and impact on services and policies).
- have considered the statutory requirement to provide the service and at what minimum level, or whether the service is discretionary.
- Explicitly consider if there is scope for efficiencies via closer working with other local authorities particularly in light of our own and South Northants closer working.

### **Capital programme Guidelines**

- The development of 4 year rolling capital programme and resources should be drawn up within the context of the following objectives:
  1. The generation of additional reserves and balances, with appropriate contingencies.
  2. Opportunities to invest to save.
  3. Maintaining Council assets and the Council's infrastructure to agreed standards.
- A capital project appraisal is required for each bid and this will be validated by the Resources Performance Scrutiny Board who will make recommendations for schemes to be included in the 2013/14 capital programme. All schemes previously approved for commencement in 2013/14 and onwards will be carried through for consideration.

### **Procurement**

When setting both the 2013/14 budget and future years, regard should be given to the Corporate Procurement Strategy and The Council's Contract Procedure rules. In particular, budgets and projections should be based on Corporate and agreed framework contracts. Further advice and guidance can be obtained from the Councils Procurement Team.

### **Risk**

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

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

With a ~ £14.6m Revenue Budget and ~ £15m plus annual Capital Budget covering all the Council's services and activities the potential for

an issue to be missed or not considered properly will always be there. The budget process is designed to minimise this risk and throughout the process there are frequent meetings with Joint Management Team and Executive to review

This page is intentionally left blank

**TIMETABLE**

<b>Activity / Report</b>	<b>Month</b>	<b>Output</b>
Budget Workshops with Executive	<b>June - Sept 2012</b>	<b>Activity</b>
Public Consultation and Satisfaction Survey	<b>August – September 2012</b>	<b>Activity</b>
Budget Strategy and Guidelines to Executive	<b>October 2012</b>	<b>Report</b>
Budget Scrutiny Commences	<b>September – December 2012</b>	<b>Activity</b>
Budget Workshops	<b>October</b>	<b>Activity</b>
Service Plans and Budget Forecasts prepared	<b>October - November</b>	<b>Activity</b>
Draft Budget 1 to JMT	<b>November</b>	<b>Report</b>
Draft Budget 1 to Executive	<b>December</b>	<b>Report</b>
Council Tax base to Executive	<b>January</b>	<b>Report</b>
Final Budget Proposal to Executive	<b>February</b>	<b>Report</b>
Budget Proposal to Council	<b>February</b>	<b>Report</b>

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank



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

Document is Restricted

This page is intentionally left blank