

# Public Document Pack

## Cherwell District Council

### Council

Minutes of a meeting of the Council held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 25 February 2013 at 6.30 pm

Present: Councillor Colin Clarke (Chairman)  
Councillor Lawrie Stratford (Vice-Chairman)

Councillor Ken Atack  
Councillor Andrew Beere  
Councillor Maurice Billington  
Councillor Norman Bolster  
Councillor Ann Bonner  
Councillor Margaret Cullip  
Councillor Surinder Dhesi  
Councillor John Donaldson  
Councillor Mrs Diana Edwards  
Councillor Tim Emptage  
Councillor Andrew Fulljames  
Councillor Michael Gibbard  
Councillor Timothy Hallchurch MBE  
Councillor Alastair Milne Home  
Councillor Chris Heath  
Councillor David Hughes  
Councillor Russell Hurle  
Councillor Tony Ilott  
Councillor Mike Kerford-Byrnes  
Councillor James Macnamara  
Councillor Kieron Mallon  
Councillor Nicholas Mawer  
Councillor Nigel Morris  
Councillor Jon O'Neill  
Councillor P A O'Sullivan  
Councillor D M Pickford  
Councillor Lynn Pratt  
Councillor Neil Prestidge  
Councillor Nigel Randall  
Councillor G A Reynolds  
Councillor Alaric Rose  
Councillor Gordon Ross  
Councillor Daniel Sames  
Councillor Leslie F Sibley  
Councillor Trevor Stevens  
Councillor Rose Stratford  
Councillor Lynda Thirzie Smart  
Councillor Douglas Webb  
Councillor Douglas Williamson  
Councillor Barry Wood  
Councillor Sean Woodcock

Apologies for absence: Councillor Alyas Ahmed  
Councillor Fred Blackwell  
Councillor Patrick Cartledge  
Councillor Simon Holland  
Councillor Victoria Irvine  
Councillor Melanie Magee  
Councillor Nicholas Turner

Officers: Sue Smith, Chief Executive  
Ian Davies, Director of Community and Environment  
Martin Henry, Director of Resources / Section 151 Officer  
Kevin Lane, Head of Law and Governance / Monitoring Officer  
Karen Curtin, Head of Finance and Procurement  
James Doble, Democratic and Elections Manager  
Natasha Clark, Team Leader, Democratic and Elections

65 **Declarations of Interest**

There were no declarations of interest.

66 **Communications**

**Councillor Woodcock**

The Chairman welcomed Councillor Woodcock to his first Council meeting as Labour Group Leader.

**Engagements**

The Chairman reported that a list of engagements he had attended had been included in the agenda.

**Register of Interest Forms**

The Chairman reported that there were still a small number of councillors who had not yet returned their new register of interest forms and requested that they be completed and returned as soon as possible.

**Chairman's Informal Dinner**

The Chairman advised Members that his informal dinner would take place on Friday 13 April at Broughton Castle. Further details would follow in due course.

67 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

68 **Urgent Business**

There were no items of urgent business.

69 **Minutes of Council**

The minutes of the meeting held on 25 February 2013 were agreed as a correct record and signed by the Chairman, subject to the following amendment:

Change attendance for Councillor Hallchurch from "Present as expected" to "apologies for absence"

70 **Minutes**

a) **Minutes of the Executive, Lead Member Decisions and Executive Decisions made under Special Urgency**

**Resolved**

That the minutes of the meeting of the Executive and Lead Member decisions as set out in the Minute Book be received and that it be noted that since the last meeting of Council no Executive decisions had been taken that were subject to the special urgency provisions of the Constitution.

b) **Minutes of Committees**

**Resolved**

That the minutes of Committees as set out in the Minute Book be received.

71 **Questions**

a) **Written Questions**

There were no written questions.

b) **Questions to the Leader of the Council**

Questions were asked and answers received on the following issues:

"Bedroom tax": Councillor Woodcock

Banbury War Memorial Trust: Councillor Mallon

New Homes Bonus: Councillor Emptage

Living wage: Councillor Woodcock

Support to vulnerable residents affected by benefits changes: Councillor Dhesi

Cherwell District Council employees and payroll: Councillor Rose

Kidlington Masterplan: Councillor Emptage

Gritting of Cherwell District Council car parks: Councillor Dhesi

c) **Questions to Committee Chairmen on the minutes**

There were no questions to Committee Chairman on the minutes of meetings.

72 **Motions**

There were no motions.

73 **Members Allowance 2013/14**

The Head of Law and Governance submitted a report which sought consideration and determination of the levels of the allowances to be paid to Members for the forthcoming 2013/2014 financial year following the submission of the report of the Council's Independent Remuneration Panel (IRP).

**Resolved**

- (1) That the levels of allowances to be included in the 2013/14 Members' Allowances Scheme be agreed as set out in the annex to the minutes (as set out in the Minute Book).
- (2) That the Head of Law and Governance be authorised to prepare an amended Members' Allowances Scheme, in accordance with the decisions of the Council for implementation with effect from 1 April 2013.
- (3) That the Head of Law and Governance be authorised to take all necessary action to revoke the current (2012/13) Scheme and to publicise the revised Scheme pursuant to The Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended).
- (4) That the Independent Remuneration Panel be thanked for its report and a fee of £300 be paid to Panel Members for the work carried out in 2012/13 and the same level of fee for 2013/14 be agreed.

74 **2013/14 Corporate Plan, Revenue & Capital Budgets and Treasury Strategy**

The Chairman outlined that it was customary during the budget debate to suspend standing orders with regard to the duration of speeches by proposers of motions and amendments, also the order of dealing with and speaking on amendments. It was also agreed that the Estimates would be taken as one integrated set of financial figures and that the revenue and capital estimates, the Collection Fund Estimates 2013/2014 and the Corporate Plan and the Service Plans would not be debated separately.

Members signified agreement that speeches made by Group Leaders or any Member proposing the Budget, an alternative Budget, any amendments or commenting on the Budget would not be time limited.

The Chief Finance Officer (Director of Resources) and Head of Finance and Procurement submitted a report to review the Council's General Fund Budget,

Capital Programme, Earmarked Reserves and General Fund Balances to ensure the robustness of the estimates included and sought formal adoption of all parts of the Council's financial plans and Corporate Plan for the 2013/14 budget year.

The Lead Member for Financial Management, Councillor Atack, introduced the report and set out the proposed budget for the year. In introducing the report, the Lead Member for Financial Management proposed an amendment to the recommendations in relation to the 2013/14 Pay Policy which would ensure that all staff received a living wage.

The Leader of the Council, Leader of the Opposition and the Leader of the Liberal Democrat Group responded to the budget. The budget was debated at length by Members, during which no amendments were moved.

### **Resolved**

- (1) That the contents of the report in approving the General Fund Revenue Budget and Capital Programme for 2013/14 be noted.
- (2) That the 2013/14 General Fund Budget and Capital Programme proposed by the Executive on 4 February 2013 contained in the annexes to the minutes (as set out in the Minute Book) be approved.
- (3) That the Collection Fund Estimates (annex to the minutes as set out in the Minute Book) be approved.
- (4) That the Corporate Plan (annex to the minutes as set out in the Minute Book) be approved.
- (5) That the Treasury Strategy, including the prudential indicators, annex to the minutes (as set out in the Minute Book) be approved.
- (6) That the statement of pay policy for 2013/14 as required by the Act, subject to the inclusion of additional payments to ensure all staff receive a living wage, annex to the minutes (as set out in the Minute Book) be approved and that authority be delegated to the Head of Transformation to implement the living wage for all staff.

### **75 Adjournment of Council Meeting**

As there had been no amendments made to the budget as recommended by Cabinet, it was confirmed there was no need for Council to adjourn.

### **76 Calculating the amounts of Council Tax for 2013/2014 and setting the Council Tax for 2013/2014**

The Chief Finance Officer (Director of Resources) and Head of Finance and Procurement submitted a report which detailed the calculations for the amounts of Council Tax for 2013/14 and the setting of Council Tax for 2013/2014.

## Resolved

- (1) That it be noted that at its meeting held on 21 January 2013 the Council calculated the Council Tax Base 2013/14:
  - a) for the whole Council area as 46,672 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
  - b) For dwellings in those parts of its area to which a Parish Precept relates as in Appendix 1 (annex to the minutes as set out in the Minute Book).
- (2) That the Council Tax requirement for the Council's own purposes for 2013/14 (excluding Parish Precepts and Special Expenses) be £123.50.
- (3) That the following amounts be calculated for the year 2013/14 in accordance with Sections 31 to 36 of the Act:-
  - a) £75,864.756 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act, taking into account all precepts issued to it by Parish Councils and any additional special expenses.
  - b) £66,311,611 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
  - c) £9,553,145 being the amount by which the aggregate at 8(a) above exceeds the aggregate at 8(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).
  - d) £204.69 being the amount at 8(c) above (Item R), all divided by Item T (6(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts and Special Expenses);
  - e) £3,789,153 being the aggregate amount of all special items (Parish Precepts and Special Expenses) referred to in Section 34(1) of the Act as per the attached Schedule 2.
  - f) £123.50 being the amount at 8(d) above less the result given by dividing the amount at 8(e) above by Item T(6(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept or special item relates;

- (4) That it be noted that for the year 2013/14 the Oxfordshire County Council and the Police and Crime Commissioner for Thames Valley have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated below :-

| <u>Valuation Band</u> | Oxfordshire County Council | Police and Crime Commissioner for Thames Valley |
|-----------------------|----------------------------|---|
|                       | £                          | £   |
| A                     | 789.89                     | 104.92  |
| B                     | 921.53                     | 122.41  |
| C                     | 1,053.18                   | 139.89  |
| D                     | 1,184.83                   | 157.38  |
| E                     | 1,448.13                   | 192.35  |
| F                     | 1,711.42                   | 227.33  |
| G                     | 1,974.72                   | 262.30  |
| H                     | 2,369.66                   | 314.76  |

- (5) That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in Appendix 2 (annex to the minutes as set out in the Minute Book) as the amounts of Council Tax for the year 2013/14 for each part of its area and for each of the categories of dwellings.
- (6) That the Council's basic amount of Council Tax for 2013/14 not be excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

77

### **Community Governance Review 2012**

The Chief Executive submitted a report which updated Members on progress of the Community Governance Review and sought agreement of the proposals to consult upon.

#### **Resolved**

- (1) That the principles as set out in appendix 1 (annex to the minutes as set out in the Minute Book), subject to the amendment to the recommendation from Bicester Town Council to include South West Bicester, be consulted upon.

78

### **Twelve Month Review of Joint Working Arrangements**

The Chief Executive submitted a report which provided a twelve month review of joint working arrangements.

In introducing the report, the Leader of the Council explained that the joint working business case referred to a review of joint working after twelve months. The Joint Management team was formed on 1 October 2011 and was followed by other shared services being established in a programme that was

on-going. The report reviewed the original targets and milestones against actual performance and also set out some of the 'softer' issues that had arisen as a consequence of joint working and shared services.

**Resolved**

- (1) That the review of performance for the first twelve months of joint working be noted.
- (2) That the progress being made through the Joint Arrangements Steering Group on future joint working initiatives be noted.

The meeting ended at 8.20 pm

Chairman:

Date:





DISTRICT COUNCIL  
NORTH OXFORDSHIRE

Report of the Independent Remuneration  
Panel on the Review of Members' Allowance  
for the 2013/2014 Financial Year

For

Cherwell District Council

January 2013

## CHERWELL DISTRICT COUNCIL

### REPORT OF THE INDEPENDENT REMUNERATION PANEL

#### REVIEW OF MEMBERS' REMUNERATION FOR THE 2013/2014 FINANCIAL YEAR

#### **1 Introduction**

- 1.1 After considering the recommendations of this Panel, Cherwell District Council introduced a revised Scheme of Members' Allowances from 1 April 2012. This Scheme has remained in force throughout the 2012/13 municipal year.
- 1.2 This report has been prepared in accordance with the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended). It outlines the Panel's findings following a review of the District Council's current Allowance Scheme and its recommendations for 2013/14 in respect of:
- (a) the levels of basic and special responsibility allowances;
  - (b) the travelling, subsistence and dependent carers' allowances; AND
  - (c) co-optees allowance.

#### **2 The Independent Remuneration Panel**

- 2.1 The Independent Remuneration Panel was first appointed in 2001.
- 2.2 The current membership of the Panel is:
- Ms Jeanette Baker  
Mr Ray Everitt  
Mr Jim Flux MBE - retired Manufacturing Manager with Procter and Gamble, and Chairman of the Banbury Council for Voluntary Service  
Mr David Shelmerdine  
Mr Christopher White - Director, White Commercial, Chartered Surveyors
- 2.3 James Doble (Democratic and Elections Manager) and Gavin Lane (Democratic and Elections Officer) provided the Panel with administrative advice and support.
- 2.4 At its meeting on 12 December 2012, Mr Christopher White was reappointed as Chairman of the Panel for the 2012/2013 Municipal Year.
- 2.5 The Panel's findings are set out in this report, together with recommendations for consideration by Council.

### **3 Terms of Reference of the Panel**

- 3.1 The Panel's terms of reference as originally agreed by the Council when it was first constituted (as amended by the 2003 Consolidating Regulations which relate to the determination of local schemes for travelling and subsistence allowances) are outlined in its reports dated 3 July 2001 and 4 July 2003.
- 3.2 The principal matters on which the Panel can make recommendations are:
- (a) the amount of basic allowance to be paid to all Members of the Council;
  - (b) the Council member posts which should qualify, as they involve significant additional responsibilities, for Special Responsibility Allowance payments and the levels of those allowances;
  - (c) the appropriateness, and the amounts to be paid in respect of the childcare and dependent carers' allowances;
  - (d) the levels, and appropriateness, of travelling and subsistence allowances; and
  - (e) the amount of the co-optees allowance to be paid to the independent members and parish council representatives serving on the Council's Standards Committee.

### **4 The Panel's Adopted Approach**

- 4.1 Since 2001, the Panel's approach has been that recommendations should be formulated appropriate to the circumstances of the Council, recognising that the roles of Executive and Non-Executive Members are now well-established.
- 4.2 The following underlying principles continue to form the fundamental basis of the Panel's review process:
- (a) the allowances should take account, as far as possible, of the amount of time taken by Members to fulfil their roles.
  - (b) the scheme should ensure, as far as practical, that as wide a range of people as possible should be able to stand for election and that they should not be financially penalised in so doing. This, in turn, should increase the likelihood of an inclusive approach to Council services:
  - (c) the levels of the allowances should not be treated as salary but rather as a level of 'compensation';
  - (d) the reviewed scheme should take account of the payments included in the current scheme and any increases which might be recommended should be balanced against the interests of the Council Tax Payers in the District, although we accept that the Council must consider the political implications of the levels of the allowances open to it to pay;

- (e) an element of Members' time in terms of their work as a Councillor should continue to be treated as voluntary which should not be remunerated – the principle of voluntary service is fully set out in paragraphs 9.4 and 9.5 of our July 2001 report;
- (f) the Special Responsibility Allowance payments should be banded to reflect both the time commitment and workload of the identified special responsibilities;
- (g) the assumption that all Members will participate as fully as possible in Council business and play an active role in their Wards and that the importance of these mutually inclusive roles should be reflected in the level of the basic allowance; and
- (h) the reviewed scheme should continue to be subject to well informed periodic reviews.

## **5 The Work of the Panel**

- 5.1 The Panel has previously determined the underlying principles on which the levels of Members allowances should be based, as outlined above.
- 5.2 The Panel's approach required an assessment of the amount of time Councillors commit to their duties and their associated workloads in the context of the identified special responsibilities for Lead Members and Committee Chairmen.
- 5.3 The conclusions drawn by the Panel are informed by comparative data drawn from the allowances paid by other local authorities and an analysis of the results of an 'Activity Questionnaire' that Members are requested to complete every year.
- 5.4 The purpose of the 'Activity Questionnaire' is to determine:
  - (a) the amount of time Members estimate they spend on Council business during an average month;
  - (b) Members views on the adequacy, or otherwise, of the Current levels of Members' Allowances at the Council; and
  - (c) whether Members would like to address the Panel in person.
- 5.5 As part of its review, the Panel considered the following information:
  - (a) a copy of the Council's Allowances Scheme for 2012/13;
  - (b) comparative data from the Members' Allowances survey undertaken by the South East Employers Organisation which outlines the basic, special responsibility and other allowance payments made by Council's in the South East Region; and
  - (c) a summary of Members responses to the 'Activity Questionnaire'.

- 5.6 The Panel continues to place great importance on the information gathered by way of the 'Activity Questionnaire'. As previously, the activity questionnaire was circulated to all Members of the Council and a total of 12 completed questionnaires were returned, representing 24% of its membership. However, last year 17 questionnaires were returned, equating to 34% of the Council body.
- 5.7 The Panel found this decline in the number of responses disappointing because the results of the activity questionnaire remain the main source of information for its deliberations. Clearly, it was challenging for the Panel to accurately assess the attitude of Members to existing allowances in the light of this low response.
- 5.8 However, the Panel proposes to repeat this exercise again next year using a revised and simplified questionnaire as it firmly believes that the information requested by means of the questionnaire remains vital to its efforts in undertaking proper and meaningful reviews. The Panel hopes that a simpler questionnaire will solicit a greater number of responses from Councillors to inform its work.
- 5.9 At its meeting, the Panel received personal representations from Councillor Kieran Mallon. The Panel offered thanks to Councillor Mallon for his contribution.
- 5.10 The Panel noted that those Members which responded to the activity questionnaire continued to show a great variation in the estimates of the time they spend on their roles as Councillors, ranging from 5 to 36 hours per week.
- 5.11 The Panel noted that those Members which responded spent an average of 65.5 hours per month on council duties, which was 1.5 hours more than last year.
- 5.12 Other conclusions arising from the questionnaires were that:
- (a) 33% of respondents explicitly stated that no changes should be made to the level of Members allowances and expenses for 2013/14.
  - (b) 41% of respondents proposed varying increases in the level of Members allowances and expenses for 2013/14.
  - (c) on a scale of 1 (very generous) to 4 (totally inadequate), 42% of respondents rated the basic allowance as a '2'.
  - (d) on the same scale of 1 to 4, 37% of respondents rated the special responsibility allowance as a '2'.
  - (e) on the same scale of 1 to 4, 55% of respondents rated the level of travel and subsistence allowances as a '2'.

## **6 Basic Allowance**

- 6.1 The Panel was requested to review the current level of the Basic Allowance.

- 6.2 Since the Council moved to its Local Pay Formula, the Panel had used the annual pay settlement for staff as one of the main criteria for adjusting the levels of the basic and special responsibility allowances paid.
- 6.3 However, at the time of the Panel's meeting on 12 December 2012, the staff pay settlement for the year had yet to be agreed. Negotiations were underway and provision for a notional 2% increase for planning purposes had been made in the Council's budget assumptions although this was not to be taken as an indication that a pay award would follow.
- 6.4 The Panel received comparative data from a significant number of authorities and noted that the basic allowance payable to Council Members were comparable to the allowances paid by neighbouring authorities in the South East region.

## **7 Special Responsibility Allowances**

- 7.1 The Panel was requested to:
- (a) review the current level of Special Responsibility Allowances; and
  - (b) consider the appropriate level of special responsibility allowance to be paid to the Chairman of the Standards Committee following the introduction of a new Committee under the Localism Act 2011.
- 7.2 The Panel heard that under the Local Government Act 2000, the Council was required to establish a Standards Committee.
- 7.3 However, under the Localism Act 2011, this Committee ceased to exist and new rules and processes relating to standards came into effect on 1 July 2012.
- 7.4 The Panel heard that under this new legislation, the Council has established a new Standards Committee. This new Committee would:
- (a) consider general matters relevant to member standards; and
  - (b) conduct any hearings which take place where an alleged breach of the code has been the subject of an investigation which concludes that there was a failure to comply.
- 7.5 The Panel heard that, in the opinion of the Head of Law and Governance, remuneration akin to that given to the Chairman of the Licensing Committee would be appropriate for the Chairman of the new Standard Committee.
- 7.6 The remuneration given to the Chairman of the Licensing Committee was £1,104.00 per annum.

## **8 Dependent Carers' Allowance**

- 8.1 The Panel was requested to review the current level of Dependent Carers' Allowance.

8.2 The Panel noted that the Dependent Carers' Allowance was introduced in 2001 and that take-up remained low. However, it noted that the availability of the allowance was recognised as part of the process of enabling all sections of the community the opportunity to stand for election to the Council. The current levels of allowance remain generally comparable with those paid by other Councils.

8.3 The Panel requested that all Members be reminded of the existence of the Dependent Carers' Allowance and their eligibility to claim should it be needed.

## **9 Travelling and Subsistence Allowances**

9.1 The Panel was requested to review the current level of Travelling and Subsistence Allowances.

9.2 The Panel noted that all travel rates are set at the specified HM Revenues and Customs rates and consequently had no implications for the tax liabilities of Members. Travel rates for motorcycles and motor vehicles are paid regardless of the cc of motor cycle or motor vehicle concerned.

9.3 In relation to subsistence allowances, the Panel previously agreed that allowances should be paid up to the maximum rates notified by the National Joint Council for Officers index linked to the Retail Price Index (excluding mortgages).

9.4 However, the National Joint Council for Officers ceased to produce nationally agreed subsistence rate for local government staff in 1996.

9.5 Since that time, subsistence rates have been a subject for local determination and the Council has based its rates on Local Government Association rates.

## **10 Recommendations to Council**

10.1 Based on the information provided to the Panel, it recommends that:

(a) there be no increase in the Basic Allowance:

|                 |              |
|-----------------|--------------|
| Basic Allowance | £4,155.00 PA |
|-----------------|--------------|

(b) there be no increase in Special Responsibility Allowances:

|   |              |
|---|--------------|
| Leader of the Council                           | £7,209.00 PA |
| Executive Members Holding a Portfolio           | £6,291.00 PA |
| Chairman of the Overview and Scrutiny Committee | £3,702.00 PA |

|  |              |
|--|--------------|
| Chairman of the Resources and Performance Scrutiny Board | £3,702.00 PA |
| Chairman of the Planning Committee                       | £4,200.00 PA |
| Chairman of the Accounts, Audit and Risk Committee       | £2,250.00 PA |
| Chairman of the Personnel Committee                      | £1,104.00 PA |
| Chairman of the Licensing Committee                      | £1,104.00 PA |
| Chairman of the Appeals Panel                            | £1,104.00 PA |
| Leader of the Opposition                                 | £2,898.00 PA |
| Deputy Leader of the Council                             | £1,104.00 PA |

(c) the Chairman of the Standards Committee should be granted the same allowance as the Chairman of the Licensing Committee (i.e. £1,104.00 per annum) as they were equivalent in terms of responsibility and workload.

(d) there be no increase in the Dependent Carers' Allowance:

|                         |              |
|-------------------------|--------------|
| Childcare               | £8 per hour  |
| Dependent Relative Care | £15 per hour |

(e) there be no increase in Travelling and Subsistence Allowances:

|  |                   |
|--|-------------------|
| Bicycles                                 | 20p per mile      |
| Motorcycles                              | 24p per mile      |
| Motor Vehicles                           | 45p per mile      |
| Electric or Similar Specialised Vehicles | £1.10 per journey |



|   |                 |
|---|-----------------|
| Breakfast Allowance   | £6.02 per meal  |
| Lunch Allowance   | £8.31 per meal  |
| Tea Allowance   | £3.24 per meal  |
| Evening Meal Allowance  | £10.29 per meal |
| Absence overnight   | £91.14          |
| Absence overnight in London or at the National Association of Local Council's National Conference | £103.96         |

## 11 Findings of the Panel

11.1 In arriving at its recommendations, the Panel found that:

- (a) an increase in allowances and expenses could not be justified in the current challenging financial climate, particularly as there had not been any change in Council structures since the last review and joint working with South Northamptonshire Council had not significantly increased the workload of Members.
- (b) whilst appreciating that the level of commitment between Members varied, it recognised that the workload and commitment of Councillors was considerable and, in some instances, almost equivalent to a full-time role.
- (c) the increasing complexity, responsibilities and burden of local government made it imperative to recruit able Councillors, but the absence of a national baseline for Members remuneration did not help efforts to attract candidates in the local community with the professional qualities needed for the role.
- (d) as local government became increasing business-like, levels of remuneration needed to reflect the time, effort and expertise required of Councillors, otherwise it will continue to prove difficult to attract quality candidates to the role with negative implications for local democracy.

Mr Christopher White  
Chairman  
Independent Remuneration Panel  
January 2013

## Revenue 2013/14 Budget Proposal and Analysis

**The Status of the Budget**

- 1.1 This is the final draft of the budget presented which has been updated for the final settlement.

**General Fund Revenue Budget**

- 1.2 The General Fund Revenue budget is shown below in Table 1.

| Table 1: General Fund Revenue Budget | Budget             | Draft Budget 2     | FINAL Draft Budget | Variance from 12/13 Budget |
|--------------------------------------|--------------------|--------------------|--------------------|----------------------------|
|                                      | 2012/13            | 2013/14            |                    |                            |
| <b>Net Expenditure</b>               | £16,641,325        | £15,696,072        | <b>£15,365,552</b> |                            |
| Capital Charges Reversed             | -£3,323,392        | -£3,323,392        | -£3,323,392        | £0                         |
| <b>Net Expenditure Services</b>      | <b>£13,317,933</b> | <b>£12,372,680</b> | <b>£12,042,160</b> | <b>-£1,275,773</b>         |
| <b>Centrally Controlled Items</b>    | £1,341,299         | £1,496,436         | <b>£1,831,956</b>  | <b>£155,137</b>            |
| <b>Net Budget Requirement</b>        | <b>£14,659,232</b> | <b>£13,869,116</b> | <b>£13,874,116</b> | <b>-£785,116</b>           |
| <b>Funding</b>                       |                    |                    |                    |                            |
| Investment Income                    | £439,810           | £145,581           | £150,581           | <b>-£289,229</b>           |
| Government Grant                     | £7,621,722         | £7,210,000         | £7,210,000         | <b>-£411,722</b>           |
| Council Tax Compensation Grant 11/12 | £155,415           | £155,415           | £155,415           | £0                         |
| Collection Fund                      | £139,332           | £100,000           | £100,000           | <b>-£39,332</b>            |
| Council Tax                          | £6,302,953         | £5,763,992         | £5,763,992         | <b>-£538,961</b>           |
| Council Tax Support Grant            | £0                 | £494,128           | £494,128           | <b>£494,128</b>            |
| <b>Proposed Budget</b>               | <b>£14,659,232</b> | <b>£13,869,116</b> | <b>£13,874,116</b> | <b>-£785,116</b>           |
| <b>Shortfall / surplus</b>           | <b>£0</b>          | <b>£0</b>          | <b>£0</b>          | <b>£0</b>                  |
| <b>% Reduction</b>                   |                    |                    |                    | <b>-5.4%</b>               |
| <b>Council Tax</b>                   |                    |                    |                    |                            |
| Number band D equivalents            | 50,615             | 46,672             | 46,672             |                            |
| 2013/14 Cost of Band D equivalent    | £123.50            | £123.50            | £123.50            |                            |
| 2012/13 Cost of Band D equivalent    | £123.50            | £123.50            | £123.50            |                            |
|                                      | <b>£6,250,953</b>  | <b>£5,763,992</b>  | <b>£5,763,992</b>  |                            |

- 1.3 The finalisation of capital charges will take place later in the year as detailed work on the Fixed Asset Register system is currently underway. The capital charges figure is not a real cost to the tax payer as it is entered into the Income and Expenditure Statement in the cost of services and then removed further down the statement, as per the Local Government Capital Financing Regulations. There is no impact on the budget or finances of the Council.
- 1.4 The table below gives a high level walk from the 2012/13 net budget to the proposed 2013/14 net budget highlighting cost pressures and reductions.

| <b>Table 3: High Level Budget Walk 2012/13 to 2013/14</b> |               |
|---|---------------|
| <b>Opening Net Budget</b>                                 | <b>£14.7m</b> |
| 2012/13 effects   | -£0.1         |
| Public Promise  | -£1.0         |
| Building Blocks   | -£0.5         |
| Efficiencies  | -£0.5         |
| New Joint Working   | -£0.1         |
| New effects – income from Bicester Town Centre            | -£0.3         |
| Inflation   | £0.3          |
| Unavoidable Growth  | £0.4          |
| Growth  | £0.4          |
| Investment Income Reduction                               | £0.3          |
| Government Grant Reductions                               | £0.4          |
| Other   | -£0.1         |
| <b>Draft Base Budget 2013/14</b>                          | <b>£13.9m</b> |

1.5 These movements are further analysed in the tables below

### Unavoidable Growth

| <b>Table 4: Unavoidable Growth</b>                     |                 |
|--|-----------------|
| Reduced green recycling credits (street cleaning)      | £26,000         |
| Reduction in sale of glass and textiles from recycling | £57,000         |
| Mileage increase based on usage                        | £6,000          |
| Pay – increments, NI, superannuation                   | £86,000         |
| Increase in the capital cost of pension                | £90,000         |
| Fuel   | £40,000         |
| Castle quay income                                     | £110,000        |
|  | <b>£415,000</b> |

### Growth

| <b>Table 5: Growth</b>                      |                 |
|---|-----------------|
| Project management                          | £125,000        |
| Estates maintenance & repair                | £65,000         |
| Housing allocations – ARBITRAS              | £21,000         |
| Planning projects validation & registration | £64,000         |
| Welfare reform changes                      | £80,000         |
|   | <b>£385,000</b> |

### Public Promise

| <b>Table 6: Public Promise</b>  |                   |
|---|-------------------|
| Procurement Action Plan   | £75,000           |
| Planning Income – change in planning fees regime                                | £120,000          |
| Museum – move to trust status (6 months only)                                   | £35,500           |
| Joint working – ICT delivered phase 1   | £218,000          |
| Building Control – joint working  | £24,000           |
| Other joint working initiatives: finance, performance, democratic and elections | £104,000          |
| Re tender and negotiation of new recyclables contract                           | £432,000          |
|   | <b>£1,008,500</b> |

## Budget Reductions

- 1.6 We have made more than the required 2% efficiency savings as per budget guidelines. These amount to circa £0.5m and can be classified as budget adjustments and procurement efficiencies (with no service impact); contract reductions (reduced inflation and efficiencies) and fee income (demand increases).
- 1.7 A summary of the building blocks identified from each service is listed in the table below.

| <b>Table 7: Building blocks</b>  |                 |
|--|-----------------|
| Community Services – NNDR relief & reduced management fee on the leisure contract; vacant vehicle parks warden post; reduced automated payment kiosks emptying | £99,000         |
| Environmental Services – review of the service to reduce expenditure on bring banks and bulky waste  | £20,000         |
| Finance & Procurement – reductions in internal and external audit fees and a reduction in consultancy budget   | £74,000         |
| Law & Governance – increased land searches income; increased legal costs recovered from third parties, freeze in members allowances                            | £41,000         |
| Transformation – ICT phase 2, renegotiate blackberry usage and Microsoft licensing   | £64,000         |
| Strategic Planning – introduce charging for pre-application enquiries and increase planning income   | £75,000         |
| Public Protection & Development Management – vacant posts in planning policy and budget review of economic development   | £38,000         |
| Regeneration & Housing – predicted income from Bicester redevelopment and vacant staff post  | £61,000         |
|  | <b>£472,000</b> |

## Council Tax

- 1.8 The level of council tax being proposed is £123.50 pa at Band D and this is in line with Council commitment of a zero increase. 2013/14 is the 3<sup>rd</sup> year allocation of Council Tax Compensation Grant which the Council will receive from Central Government - £155,000.
- 1.9 Should the proposal of a zero % increase be adopted the Council will also receive £63,000 in an additional Compensation Freeze grant for 2013/14 and 2014/15 **only**. In 2013/14 £35,000 of this will be used to offset the parish council shortfall leaving £28,000 to be treated as windfall income.

## Medium Term Financial Strategy 2014/15 – 2017/18

- 1.10 The coming years will present even further challenges which in the main will relate to the austerity measures, continued cuts to the level of government grants received and welfare reform.
- 1.11 The Council's has a strong track record and commitment to delivering efficiencies resulting in a 41% reduction in net expenditure of services since 2007/08 when the net revenue budget stood at £23.5m compared to £13.9m in 2013/14.
- 1.12 These reductions and forward planning together with the joint working with South Northamptonshire Council (and any others we chose to collaborate with) continues to strengthen our position to meet the forecast challenges of future years. The Council will update its MTFs forecast to be included in the 2013/14 budget book.

- 1.13 The result of the Local Government Resource Review means the Council needs to consider a number of additional elements of funding and risk associated with New Homes Bonus, Business Rate Localised Growth and the impact of the Council Tax Reduction Scheme. As a result of this the strategy is being refreshed and will be presented to the Executive in June 2013.

@ 14 January 2013

APPENDIX 2

CHERWELL DISTRICT COUNCIL  
COLLECTION FUND : REVISED ESTIMATES 2012/13

|  | <u>COUNCIL TAX:</u>  | <u>BUSINESS</u> | <u>TOTAL:</u>        |
|--|----------------------|-----------------|----------------------|
|  | <u>£.pp</u>          | <u>RATES:</u>   | <u>£.pp</u>          |
| <b>(SURPLUS)/ DEFICIT AS AT 1 APRIL 2012</b> |                      |                 |                      |
| Oxfordshire County Council                   | -807,437.10          | 0.00            | -807,437.10          |
| Thames Valley Police Authority               | -107,244.53          | 0.00            | -107,244.53          |
| Cherwell District Council/ODPM               | -141,221.37          | 0.00            | -141,221.37          |
|  | <u>-1,055,903.00</u> | <u>0.00</u>     | <u>-1,055,903.00</u> |

**DISTRIBUTION OF SURPLUS/ (DEFICIT) FOR PREVIOUS YEAR(S):**

**Re: Revised Estimates**

|                                |                     |             |                     |
|--------------------------------|---------------------|-------------|---------------------|
| Oxfordshire County Council     | 796,499.14          | 0.00        | 796,499.14          |
| Thames Valley Police Authority | 105,792.16          | 0.00        | 105,792.16          |
| Cherwell District Council      | 139,332.13          | 0.00        | 139,332.13          |
|                                | <u>1,041,623.43</u> | <u>0.00</u> | <u>1,041,623.43</u> |

**INCOME FOR THE YEAR:**

|                                   |                       |             |                       |
|-----------------------------------|-----------------------|-------------|-----------------------|
| Income From Council Tax           | -71,719,323.13        | 0.00        | -71,719,323.13        |
| Council Tax Benefits Contribution | -7,180,407.45         | 0.00        | -7,180,407.45         |
|                                   | <u>-78,899,730.58</u> | <u>0.00</u> | <u>-78,899,730.58</u> |

|                                |             |             |             |
|--------------------------------|-------------|-------------|-------------|
| Income From Non-Domestic Rates | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
|--------------------------------|-------------|-------------|-------------|

**TOTAL INCOME FOR THE YEAR**

|                       |             |                       |
|-----------------------|-------------|-----------------------|
| <u>-78,899,730.58</u> | <u>0.00</u> | <u>-78,899,730.58</u> |
|-----------------------|-------------|-----------------------|

**EXPENDITURE FOR THE YEAR:**

**Precepts and Demands:**

|   |                      |             |                      |
|---|----------------------|-------------|----------------------|
| Oxfordshire County Council                                | 58,799,952.00        | 0.00        | 58,799,952.00        |
| Thames Valley Police Authority                            | 7,809,895.00         | 0.00        | 7,809,895.00         |
| Cherwell District Council: General Purposes               | 6,250,953.00         | 0.00        | 6,250,953.00         |
| Cherwell District Council: Town & Parish Council Precept: | 4,088,906.00         | 0.00        | 4,088,906.00         |
|   | <u>76,949,706.00</u> | <u>0.00</u> | <u>76,949,706.00</u> |

**Non-Domestic Rates:**

|                          |             |             |             |
|--------------------------|-------------|-------------|-------------|
| Payment To National Pool | 0.00        | 0.00        | 0.00        |
| Cost of Collection Grant | 0.00        | 0.00        | 0.00        |
|                          | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |

|  |                   |             |                   |
|--|-------------------|-------------|-------------------|
| Provision For Appeals and Non-collection | <u>223,801.00</u> | <u>0.00</u> | <u>223,801.00</u> |
|--|-------------------|-------------|-------------------|

|                        |                   |             |                   |
|------------------------|-------------------|-------------|-------------------|
| Write off of Bad Debts | <u>140,024.84</u> | <u>0.00</u> | <u>140,024.84</u> |
|------------------------|-------------------|-------------|-------------------|

**TOTAL EXPENDITURE FOR THE YEAR**

|                      |             |                      |
|----------------------|-------------|----------------------|
| <u>77,313,531.84</u> | <u>0.00</u> | <u>77,313,531.84</u> |
|----------------------|-------------|----------------------|

**(SURPLUS)/ DEFICIT FOR THE YEAR**

|                   |          |                   |
|-------------------|----------|-------------------|
| <u>-1,586,199</u> | <u>0</u> | <u>-1,586,199</u> |
|-------------------|----------|-------------------|

**DIVISION OF (SURPLUS)/ DEFICIT FOR THE YEAR**

|                                |                   |          |                   |
|--------------------------------|-------------------|----------|-------------------|
| Oxfordshire County Council     | -1,212,070        | 0        | -1,212,070        |
| Thames Valley Police Authority | -160,989          | 0        | -160,989          |
| Cherwell District Council/ODPM | -213,140          | 0        | -213,140          |
|                                | <u>-1,586,199</u> | <u>0</u> | <u>-1,586,199</u> |

**(SURPLUS)/ DEFICIT AS AT 31 MARCH 2013**

|                   |          |                   |
|-------------------|----------|-------------------|
| <u>-1,600,478</u> | <u>0</u> | <u>-1,600,478</u> |
|-------------------|----------|-------------------|

**DIVISION OF (SURPLUS)/ DEFICIT AS AT 31 MARCH**

|                                |                   |          |                   |
|--------------------------------|-------------------|----------|-------------------|
| Oxfordshire County Council     | -1,222,981        | 0        | -1,222,981        |
| Thames Valley Police Authority | -162,438          | 0        | -162,438          |
| Cherwell District Council/DTLR | -215,059          | 0        | -215,059          |
|                                | <u>-1,600,478</u> | <u>0</u> | <u>-1,600,478</u> |

## Capital Bids 2012/13 by Score

| Bid No.                             | Strategic Priority | Capital Scheme  | Service Head    | Directorate                  | Capital Bid Score | Total Estimated Capital Cost £s | Estimated Cost for 13/14 £'s | External Funding £'s | Estimated Cost for 14/15 £'s | External Funding £'s | Estimated Cost for 15/16 £'s | External Funding £'s | Estimated Cost for 16/17 £'s | External Funding £'s | Estimated Net Cost £'s |
|-------------------------------------|--------------------|---|-----------------|------------------------------|-------------------|---------------------------------|------------------------------|----------------------|------------------------------|----------------------|------------------------------|----------------------|------------------------------|----------------------|------------------------|
| 19                                  | S&H                | Disabled Access Audit 2010 - works required                             | Chris Stratford | Development                  | 39                | £15,000                         | £15,000                      |                      |                              |                      |                              |                      |                              |                      | £15,000                |
| 36                                  | CG                 | Vehicle Replacement 2013/14   | Ed Potter       | Community and Environment    | 36                | £3,637,000                      | £620,000                     |                      | £911,000                     |                      | £1,107,000                   |                      | £999,000                     |                      | £3,637,000             |
| 7                                   | S&H                | Chasewell Community Centre – Roof Covering Replacement                  | Chris Stratford | Development                  | 36                | £15,000                         | £15,000                      |                      |                              |                      |                              |                      |                              |                      | £15,000                |
| 40                                  | AVFM               | Microsoft Licensing   | Jo Pitman       | Resources                    | 32                | £150,000                        | £50,000                      |                      | £50,000                      |                      | £50,000                      |                      |                              |                      | £150,000               |
| 34                                  | CG                 | Recycling Bank Replacement 2013/14                                      | Ed Potter       | Community and Environment    | 31                | £25,000                         | £25,000                      |                      |                              |                      |                              |                      |                              |                      | £25,000                |
| 17                                  | S&H                | Units 6 & 7 Thorpe Way – Replacement Roof Covering                      | Chris Stratford | Development                  | 31                | £84,000                         | £84,000                      |                      |                              |                      |                              |                      |                              |                      | £84,000                |
| 30                                  | DOO                | Mandatory Disabled Facilities Grants                                    | Chris Stratford | Development                  | 29                | £750,000                        | £750,000                     | (£375,000)           |                              |                      |                              |                      |                              |                      | £375,000               |
| 38                                  | CG                 | Vehicle lifting equipment   | Ed Potter       | Community and Environment    | 29                | £30,000                         | £30,000                      |                      |                              |                      |                              |                      |                              |                      | £30,000                |
| 41                                  | AVFM               | Desktop PC Replacement  | Jo Pitman       | Resources                    | 29                | £42,000                         | £42,000                      |                      |                              |                      |                              |                      |                              |                      | £42,000                |
| 44                                  | AVFM               | Visualfiles Upgrade   | Jo Pitman       | Resources                    | 29                | £16,000                         | £16,000                      |                      |                              |                      |                              |                      |                              |                      | £16,000                |
| 43                                  | AVFM               | Server replacement package  | Jo Pitman       | Resources                    | 29                | £24,000                         | £24,000                      |                      |                              |                      |                              |                      |                              |                      | £24,000                |
| 2                                   | S&H                | 23 & 24 Thorpe Place – Replacement Roof Lights                          | Chris Stratford | Development                  | 28                | £27,000                         | £27,000                      |                      |                              |                      |                              |                      |                              |                      | £27,000                |
| 45                                  | AVFM               | Financial System Upgrade  | Karen Curtin    | Resources                    | 26                | £100,000                        | £100,000                     |                      |                              |                      |                              |                      |                              |                      | £100,000               |
| 23                                  | DOO/S&H            | Bicester Sports Village Phase 2   | Chris Rothwell  | Community and Environment    | 24                | £450,000                        | £450,000                     |                      |                              |                      |                              |                      |                              |                      | £450,000               |
| 26                                  | S&H                | Stratfield Brake Repair Works   | Chris Rothwell  | Community and Environment    | 24                | £80,000                         | £80,000                      |                      |                              |                      |                              |                      |                              |                      | £80,000                |
| 37                                  | CG                 | Wheeled Bin replacement scheme  | Ed Potter       | Community and Environment    | 23                | £720,000                        | £120,000                     |                      | £120,000                     |                      | £240,000                     |                      | £240,000                     |                      | £720,000               |
| 8                                   | S&H                | Works in Connection with Condition Survey                               | Chris Stratford | Development                  | 23                | £350,000                        | £350,000                     |                      |                              |                      |                              |                      |                              |                      | £350,000               |
| 46                                  | DOO                | Bicester Community Building   | Chris Stratford | Development                  | 23                | £5,000,000                      | £3,200,000                   | (£900,000)           | £1,800,000                   |                      |                              |                      |                              |                      | £4,100,000             |
| 3                                   | S&H                | Replacement Air Conditioning Plant to Main Chamber, Bodicote House      | Chris Stratford | Development                  | 21                | £80,000                         | £80,000                      |                      |                              |                      |                              |                      |                              |                      | £80,000                |
| 10                                  | S&H                | Highfield Depot – Proposed Redevelopment of Office & Welfare Facilities | Chris Stratford | Development                  | 21                | £265,000                        | £265,000                     |                      |                              |                      |                              |                      |                              |                      | £265,000               |
| 24                                  | DOO/S&H            | KGLC ATP Replacement  | Chris Rothwell  | Community and Environment    | 20                | £180,000                        | £180,000                     |                      |                              |                      |                              |                      |                              |                      | £180,000               |
| 25                                  | DOO/S&H            | NOA Track Refurbishment   | Chris Rothwell  | Community and Environment    | 20                | £165,000                        | £165,000                     |                      |                              |                      |                              |                      |                              |                      | £165,000               |
| 29                                  | DOO                | Discretionary Housing Grants  | Chris Stratford | Development                  | 18                | £275,000                        | £275,000                     |                      |                              |                      |                              |                      |                              |                      | £275,000               |
| 32                                  | DOO                | Kidlington Pedestrianisation Scheme – Phase 2                           | Chris Stratford | Development                  | 17                | £28,825                         | £28,825                      |                      |                              |                      |                              |                      |                              |                      | £28,825                |
| 35                                  | CG                 | Thorpe lane depot hard standing   | Ed Potter       | Community and Environment    | 16                | £35,000                         | £35,000                      |                      |                              |                      |                              |                      |                              |                      | £35,000                |
| 21                                  | S&H                | Community Facilities Loan Scheme  | Chris Stratford | Community and Environment    | 15                | £84,000                         | £84,000                      |                      |                              |                      |                              |                      |                              |                      | £84,000                |
| 22                                  | AVFM               | CDC and SNC Customer Services Desktop as a Service (DaaS)               | Chris Rothwell  | Community and Environment    | 14                | £20,000                         | £20,000                      |                      |                              |                      |                              |                      |                              |                      | £20,000                |
| <b>Prior years Approved Schemes</b> |                    |   |                 |                              |                   |                                 |                              |                      |                              |                      |                              |                      |                              |                      |                        |
|                                     | DOO                | Cherwell Community Led Housing Programme                                | Chris Stratford | Development                  |                   | £4,666,666                      | £2,333,333                   |                      | £2,333,333                   |                      |                              |                      |                              |                      |                        |
|                                     | DOO                | Environmental Improvements Market Square Bicester                       | Adrian Colwell  | Strategic Planning & Economy |                   | £250,000                        |                              |                      | £250,000                     |                      |                              |                      |                              |                      |                        |
|                                     | AVFM               | Extended Contract for Website Hosting                                   | Jo Pitman       | Resources                    |                   | £39,334                         | £19,667                      |                      | £19,667                      |                      |                              |                      |                              |                      |                        |
| <b>GRAND TOTAL</b>                  |                    |   |                 |                              |                   | <b>£17,603,825</b>              | <b>£9,483,825</b>            | <b>(£1,275,000)</b>  | <b>£5,484,000</b>            | <b>£0</b>            | <b>£1,397,000</b>            |                      | <b>£0</b>                    | <b>£11,372,825</b>   |                        |

AVFM An Accessible Value for Money Council  
S&H A Safe, Healthy and Thriving Community  
CG A Cleaner Greener Cherwell  
DOO A District of Opportunity

| <p style="text-align: center;"><b>A</b></p> <p style="text-align: center;"><b>A District of Opportunity</b></p>  | <p style="text-align: center;"><b>B</b></p> <p style="text-align: center;"><b>A Cleaner Greener Cherwell</b></p>  | <p style="text-align: center;"><b>C</b></p> <p style="text-align: center;"><b>A Safe, Healthy and Thriving Community</b></p>  | <p style="text-align: center;"><b>D</b></p> <p style="text-align: center;"><b>An Accessible Value for Money Council</b></p>  |
|--|---|---|--|
| <p><b>Work with partners to tackle disadvantage in the District.</b></p> <ul style="list-style-type: none"> <li>• Support vulnerable residents through focusing on homelessness prevention and housing advice at current levels of performance</li> <li>• Work with our partners to reduce the number of young people not in education employment or training across the district</li> <li>• Support local people into work (job clubs and apprenticeships) and prepare for the impact of the Government reform to welfare and the benefits system</li> <li>• Deliver the Brighter Futures in Banbury programme</li> </ul> | <p><b>Provide excellent waste collection and recycling services, work to reduce the amount of waste produced and to ensure that we recycle as much of our waste as possible.</b></p> <ul style="list-style-type: none"> <li>• Maintain the level of household recycling rate at above 57%</li> <li>• Reduce the amount of waste sent to landfill</li> <li>• Maintain the current high levels of customer satisfaction with our recycling and waste collection services</li> </ul> | <p><b>Work with partners to support the development of safe and thriving local communities and neighbourhoods.</b></p> <ul style="list-style-type: none"> <li>• Continue to provide a wide range of recreational activities and opportunities of young people across the district</li> <li>• Work with partners to maintain already low levels of crime in the district and ensure people feel safe in their communities and town centres</li> <li>• Work with partners and businesses to support public health, safety and environmental protection</li> </ul> | <p><b>Provide value for money and a financially sound organisation, minimising the impact of smaller council budgets on frontline and priority services.</b></p> <ul style="list-style-type: none"> <li>• Continue to implement and embed an effective approach to address the financial impact of Government welfare reform</li> <li>• Continue to plan for the implications of the Local Government Resources Review specifically the changes to localisation of business rates and council tax benefit</li> <li>• Secure savings of £500,000 taking account of the national changes to Local Government Funding</li> <li>• Ensure the Council's budget is matched to strategic priorities demonstrating and promoting the Council's commitment to value for money and effective service delivery including making more effective use of technology</li> </ul> |
| <p><b>Balance economic development and housing growth.</b></p> <ul style="list-style-type: none"> <li>• Deliver 500 new homes including through planned major housing projects</li> <li>• Deliver 150 affordable homes in the district</li> <li>• Promote local economic development through business advice and support, inward investment and the Local Enterprise Partnerships</li> <li>• Progress the Community Housing Project with HCA investment partner</li> </ul>   | <p><b>Work to ensure our streets, town centres, open spaces and residential areas are clean, well maintained and safe.</b></p> <ul style="list-style-type: none"> <li>• Improve levels of residents' satisfaction with street and environmental cleanliness</li> <li>• Work with local communities to continue the programme of neighbourhood litter blitzes</li> </ul>   | <p><b>Support the local community, voluntary and not for profit sectors to play an active role in the district.</b></p> <ul style="list-style-type: none"> <li>• Work with the local voluntary sector to provide advisory services for the local community</li> <li>• Support volunteering across the district</li> </ul>   | <p><b>Work with partners to reduce Council costs.</b></p> <ul style="list-style-type: none"> <li>• Continue to implement and embed shared back office systems and services to secure efficiencies</li> <li>• Continue to develop and embed the shared ICT service specifically in relation to phase two of the programme (system standardisation and harmonisation)</li> <li>• Explore further opportunities with partners to share or provide services, reducing costs and maximising income</li> </ul>   |



| <p style="text-align: center;"><b>A</b></p> <p style="text-align: center;"><b>A District of Opportunity</b></p>  | <p style="text-align: center;"><b>B</b></p> <p style="text-align: center;"><b>A Cleaner Greener Cherwell</b></p>  | <p style="text-align: center;"><b>C</b></p> <p style="text-align: center;"><b>A Safe, Healthy and Thriving Community</b></p>   | <p style="text-align: center;"><b>D</b></p> <p style="text-align: center;"><b>An Accessible Value for Money Council</b></p>   |
|--|---|--|---|
| <p><b>Develop a robust and locally determined planning framework.</b></p> <ul style="list-style-type: none"> <li>• Complete a draft of local development framework for the district and submit for adoption</li> <li>• Prepare an Infrastructure Plan for Cherwell District and prepare for introduction of Community Infrastructure Levy</li> <li>• Secure implementation of new policy for Developer contributions</li> <li>• Protect and enhance the quality of the built environment by completion of Conservation Area Reviews and strong design guidance for all new developments</li> </ul> | <p><b>Work to reduce our impact on the natural environment, limit our use of natural resources and support others in the district to do the same.</b></p> <ul style="list-style-type: none"> <li>• Reduce the Council's Carbon footprint by 4% (includes buildings, fleet mileage etc.)</li> <li>• Work with partners to improve the energy efficiency of homes and enable more residents to achieve affordable energy bills</li> </ul>   | <p><b>Provide the best possible access to good quality recreation and leisure opportunities in the district.</b></p> <ul style="list-style-type: none"> <li>• Progress the further phased development of the South West Bicester Sports Village</li> <li>• Maintain current high levels of visits/usage to district leisure centres following the successful 2012 Olympic and Paralympics</li> <li>• Establish an independent Trust to secure the long term future of Banbury Museum and maintaining access for the community</li> </ul> | <p><b>Demonstrate that we can be trusted to act properly for you by being transparent about our costs and performance.</b></p> <ul style="list-style-type: none"> <li>• Improve the information available to the public about our costs and performance, and promote understanding, accountability and opportunity</li> <li>• Consult with local residents in a cost effective manner to ensure the Council has a good understanding of local priorities</li> </ul>   |
| <p><b>Work to improve the quality and vibrancy of our town centres and urban areas.</b></p> <ul style="list-style-type: none"> <li>• Progress the commercial development of Bicester Town Centre and consider the plans for development of the community building</li> <li>• Complete a Masterplan for Bicester, Kidlington and Banbury</li> <li>• Progress the Canalside Regeneration, Spiceball and the redevelopment of the Bolton Road area in Banbury</li> </ul>  | <p><b>Work with partners to support the development of Eco-Bicester as a national exemplar, creating a vibrant place where people choose to live, to work and spend their leisure time in sustainable ways.</b></p> <ul style="list-style-type: none"> <li>• Work with partners to progress the delivery of the masterplan for Bicester</li> <li>• Start work on site for the initial housing development at North West Bicester</li> <li>• Ensure continued opportunities for local people to participate in the Eco-Bicester programme</li> </ul> | <p><b>Support improvement of local health facilities, services and standards across the district.</b></p> <ul style="list-style-type: none"> <li>• Work to promote active and independent lifestyles amongst older people</li> <li>• Support the local community and Oxford University Hospitals Trust to retain and develop health services at the Horton General Hospital</li> <li>• Continue to support new and improved health services in Bicester and the surrounding area</li> </ul>  | <p><b>Work to ensure we provide good customer service through the delivery of high quality and accessible services.</b></p> <ul style="list-style-type: none"> <li>• Improve levels of customer satisfaction with our services</li> <li>• Improve levels of satisfaction with and access to information provided by the Council</li> <li>• Improve access to our services and advice by increasing online payment and service options</li> <li>• Reduce costs by increasing customer use of online services rather than accessing services at Council offices</li> <li>• Embed programme management, ensuring we have the right projects, properly resourced</li> </ul> |

## **Performance Pledges 2013/14**

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### **A district of opportunity**

1. Continue to support skills development, apprenticeships and job clubs in order to help support local employment and reduce the number of young people not in education, employment or training.
2. Deliver 150 affordable homes in the district and support opportunities for self build and developing self build skills.
3. Continue to strengthen leisure and retail facilities in Banbury and Bicester town centres.
4. Complete the local plan along with the Master Plans for Banbury and Bicester as the foundation for economic growth in the district.

### **A cleaner, greener district**

5. Maintain a household recycling rate of above 57%
6. Improve local residents' satisfaction with street and environmental cleanliness continuing our successful programme of neighbourhood litter blitzes.
7. Continue to reduce the Council's carbon footprint by further improving the energy efficiency of our buildings and vehicles.
8. Continue to give Cherwell residents the opportunity to take advantage of low cost insulation by working with partners to set up a 'green deal provider' service.
9. Start work onsite for the initial housing development at Northwest Bicester.

### **A safe, healthy and thriving district**

10. Continue working with our partners to provide support to the most vulnerable individuals and families in the district, building on the Brighter Futures in Banbury programme.
11. Support the local health sector in building a new community hospital in Bicester
12. Complete the lay out of the sports pitches at the South West Bicester sports village and finalise plans for the pavilion.
13. Support the upgrade of sports facilities across the district using the Olympic legacy fund.
14. Work with the local police and licence holders to ensure our town centres remain safe and vibrant in the evenings.

### **An accessible value for money council**

15. Secure cashable savings of at least £500,000 to help meet the medium term financial deficit and continue to identify non cashable savings in procurement.
16. Improve levels of customer satisfaction focusing on our anti-social behaviour, environmental crime and car parking services.
17. Continue to improve our website, the ease of accessing our services and paying for services online.

## **Performance Pledges 2013/14**

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### **A district of opportunity**

1. Continue to support skills development, apprenticeships and job clubs in order to help support local employment and reduce the number of young people not in education, employment or training.
2. Deliver 150 affordable homes in the district and support opportunities for self build and developing self build skills.
3. Continue to strengthen leisure and retail facilities in Banbury and Bicester town centres.
4. Complete the local plan as the foundation for economic growth in the district.

### **A cleaner, greener district**

5. Maintain a household recycling rate of above 57%
6. Improve local residents' satisfaction with street and environmental cleanliness continuing our successful programme of neighbourhood litter blitzes.
7. Continue to reduce the Council's carbon footprint by further improving the energy efficiency of our buildings and vehicles.
8. Continue to give Cherwell residents the opportunity to reduce their energy costs by working with partners to set up a 'green deal provider' service for low cost insulation and exploring opportunities to develop bulk buying and 'collective energy switching' schemes.
9. Start work onsite for the initial housing development at Northwest Bicester.

### **A safe, healthy and thriving district**

10. Continue working with our partners to provide support to the most vulnerable individuals and families in the district, building on the Brighter Futures in Banbury programme.
11. Support the local health sector in building a new community hospital in Bicester and work to support the on-going delivery of services at the Horton General hospital in Banbury.
12. Complete the lay out of the sports pitches at the South West Bicester sports village and finalise plans for the pavilion.
13. Support the upgrade of sports facilities across the district using the Olympic legacy fund.
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17. Continue to improve our website, the ease of accessing our services and paying for services online.

**CHERWELL DISTRICT COUNCIL**  
**Treasury Management Strategy**

Annual Investment Statement

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2013/14

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# 1. Introduction

## 1.1 Background

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

CIPFA defines treasury management as:

*“The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

## 1.2 Reporting requirements

The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. These reports are required to be adequately scrutinised by committee. This role is undertaken by the Accounts Audit & Risk Committee.

**Report 1 - Treasury Strategy including Prudential and Treasury Indicators** (This report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time) - Not applicable to CDC
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

**Report 2 - A Mid Year Treasury Management Report** – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision.

**Report 3 - An Annual Treasury Report** – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

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### **1.3 Treasury Management Strategy for 2013/14**

The strategy for 2013/14 covers two main areas:

#### **Treasury management Issues**

- the current treasury position;
- treasury indicators which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- the investment strategy;
- creditworthiness policy; and
- policy on use of external service providers.

#### **Capital Issues**

- the capital plans and the prudential indicators;
- the minimum revenue provision (MRP) strategy

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the CLG MRP Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

### **1.4 Training**

CIPFA's Code of Practice requires the Responsible Officer to ensure that all Members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receives appropriate training relevant to their needs and fully understands their roles and responsibilities.

The Council's approach is:

- To identify Members who require training;
- To assess the level of training required and procure training from an external organisation with expertise in this area, including the Council's Treasury Advisor, Sector;
- To monitor the ongoing training needs of Members based on legislative, regulatory and best-practice requirements.

The training needs of treasury management officers are periodically reviewed.

### **1.5 Treasury Management Consultants**

This is required by the 2011 Guidance Notes.

The Council uses Sector as its external treasury management advisors.

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The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

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## 2. Treasury Management Strategy

The treasury management function ensures that the Council's cash is organised in accordance with the the relevant professional codes, so that sufficient cash is available to meet this service activity. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy. The treasury management function works in accordance with the treasury management practices that are reviewed annually by the Accounts, Audt and Risk Committee.

### 2.1 Current treasury position;

The Council has £11.7 m invested with fund manager Investec. In addition it has around £70m managed in-house (including Eco Town funds of £11.5m) which fluctuates during the year.

The 2012/13 interest projections as at January 31st 2013 show an expected investment income of £1m which is over budget and of this up to £ 150k will be added to Eco Town funding pots with the residual considered in the Quarter three report to the Executive. All investments are compliant with the strategy.

The 2012/13 Annual Report on Treasury Management will be presented to the Accounts, Audit and Risk Committee and the Executive in June 2013 along with the Revenue and Capital Outturn reports. This report will give full information on the performance of the Council's fund managers and in-house operation.

### 2.2 Treasury indicators which will limit the treasury risk and activities of the Council;

Prudential and Treasury Indicators (**Appendix 1** to this report) are relevant for the purposes of setting an integrated treasury management strategy. These indicators will be approved by the Council as part of the 2013/14 Budget process in February 2013.

The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The Code was adopted on 1<sup>st</sup> March 2002 by the full Council

### 2.3. Prospects for Interest Rates

The Council has appointed Sector as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. **Appendix 2** draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view.

| Annual Average % | Bank Rate | PWLB Borrowing Rates<br>(including certainty rate adjustment) |         |         |
|------------------|-----------|---|---------|---------|
|                  |           | 5 year  | 25 year | 50 year |
| Dec 2012         | 0.50      | 1.50  | 3.70    | 3.90    |
| March 2013       | 0.50      | 1.50  | 3.80    | 4.00    |
| June 2013        | 0.50      | 1.50  | 3.80    | 4.00    |
| Sept 2013        | 0.50      | 1.60  | 3.80    | 4.00    |



|            |      |      |      |      |
|------------|------|------|------|------|
| Dec 2013   | 0.50 | 1.60 | 3.80 | 4.00 |
| March 2014 | 0.50 | 1.70 | 3.90 | 4.10 |
| June 2014  | 0.50 | 1.70 | 3.90 | 4.10 |
| Sept 2014  | 0.50 | 1.80 | 4.00 | 4.20 |
| Dec 2014   | 0.50 | 2.00 | 4.10 | 4.30 |
| March 2015 | 0.75 | 2.20 | 4.30 | 4.50 |
| June 2015  | 1.00 | 2.30 | 4.40 | 4.60 |
| Sept 2015  | 1.25 | 2.50 | 4.60 | 4.80 |
| Dec 2015   | 1.50 | 2.70 | 4.80 | 5.00 |
| March 2016 | 1.75 | 2.90 | 5.00 | 5.20 |

The economic recovery in the UK since 2008 has been the worst and slowest recovery in recent history, although the economy returned to positive growth in the third quarter of 2012. Growth prospects are weak and consumer spending, the usual driving force of recovery, is likely to remain under pressure due to consumers focusing on repayment of personal debt, inflation eroding disposable income, general malaise about the economy and employment fears.

The primary drivers of the UK economy are likely to remain external. 40% of UK exports go to the Eurozone so the difficulties in this area are likely to continue to hinder UK growth. The US, the main world economy, faces similar debt problems to the UK, but urgently needs to resolve the fiscal cliff now that the Presidential elections are out of the way. The resulting US fiscal tightening and continuing Eurozone problems will depress UK growth and is likely to see the UK deficit reduction plans slip.

This challenging and uncertain economic outlook has several key treasury management implications:

- The Eurozone sovereign debt difficulties provide a clear indication of high counterparty risk. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2013/14 and beyond;
- Borrowing interest rates continue to be attractive and may remain relatively low for some time. The timing of any borrowing will need to be monitored carefully;

There will remain a cost of carry – any borrowing undertaken that results in an increase in investments will incur a revenue loss between borrowing costs and investment returns.

**Appendix 3** provides more on the current economic background,

## 2.4 Borrowing Strategy

The Council is debt free and has no plans to enter into any long term debt arrangements. As such this section is irrelevant for the 2013/14 Treasury Management Strategy. This would be reviewed in subsequent years if there was a decision to go back into debt. The Head of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

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## 2.5. Annual Investment Strategy

### 2.5.1 Investment Policy

The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the 2011 revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.

In accordance with the above, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings and watches published by all three ratings agencies with a full understanding of what the ratings reflect in the eyes of each agency. Using the Sector ratings service banks' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its advisors to maintain a monitor on market pricing such as "Credit Default Swaps" and overlay that information on top of the credit ratings. This is encapsulated within the credit methodology provided by the advisors, Sector.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk.

The intention of the strategy is to provide security of investment and minimisation of risk.

Investment instruments identified for use in the financial year are listed in **Appendix 4** under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

### 2.5.2 Creditworthiness policy

This Council applies the creditworthiness service provided by Sector. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moodys and Standard and Poors. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
  - CDS spreads to give early warning of likely changes in credit ratings;
  - sovereign ratings to select counterparties from only the most creditworthy countries.
-

This modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour coded bands which indicate the relative creditworthiness of counterparties. These colour codes are used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands

- Yellow 5 years \*\*
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 3 months
- No Colour not to be used

*\*\*Note :- this category is for AAA rated Government debt or its equivalent.*

The Sector creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.

Typically the minimum credit ratings criteria the Council use will be (Fitch or equivalents) Short Term rating F1, Long Term rating A-, Viability ratings of A- and a support rating of 1. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

All credit ratings will be monitored weekly. The Council is alerted to changes to ratings of all three agencies through its use of the Sector creditworthiness service.

- if a downgrade results in the counterparty / investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- in addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Council's lending list.

Sole reliance will not be placed on the use of this external service. In addition this Council will also use market data and market information, information on government support for banks and the credit ratings of that government support.

### **2.5.3 Country limits**

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch or equivalent. The list of countries that qualify using this credit criteria as at the date of this report are shown in Appendix 5. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

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## 2.5.4 Investment Strategy

### In-house funds.

Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

### External fund managers

£11.8m of the Council's funds are externally managed on a discretionary basis by Investec

The Council's external fund manager will comply with the Annual Investment Strategy. The agreement(s) between the Council and the fund manager(s) additionally stipulate guidelines and duration and other limits in order to contain and control risk.

The minimum credit criteria to be used by Investec is as follows: -

|                  | Fitch | Moody's | Standard and Poors |
|------------------|-------|---------|--------------------|
| Long term        | A     | A2      | A                  |
| Short term       | F1    | P-1     | A-1                |
| Viability Rating | B B+  | BB+     | N/A                |

All investments held with Investec can be liquidated immediately if required and do not have to be held to maturity. Obviously there may be a cost implication which would impact on the total returns:

**Investment returns expectations.** Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 1 of 2015. Bank Rate forecasts for financial year ends (March) are:

- 2012/ 2013 0.50%
- 2013/ 2014 0.50%
- 2014/ 2015 0.75%
- 2015/ 2016 1.75%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate is delayed even further) if economic growth remains weaker for longer than expected. However, should the pace of growth pick up more sharply than expected there could be upside risk, particularly if Bank of England inflation forecasts for two years ahead exceed the Bank of England's 2% target rate.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to three months during each financial year for the next four years are as follows:

|         |       |
|---------|-------|
| 2012/13 | 0.50% |
| 2013/14 | 0.50% |
| 2014/15 | 0.60% |
| 2015/16 | 1.50% |

---

For its cash flow generated balances, the Council will seek to utilise its business reserve accounts 30 day notice accounts, money market funds and short-dated deposits (overnight to three months) in order to benefit from the compounding of interest.

### **2.5.5 2013-14 Minimum Revenue Provision (MRP) Statement**

The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) places a duty on local authorities to make prudent provision for debt redemption. Guidance on Minimum Revenue Provision (MRP) has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under section 21(1A) of the Local Government Act 2003.

The four MRP options available are:

- Option 1: Regulatory Method;
- Option 2: CFR Method;
- Option 3: Asset Life Method;
- Option 4: Depreciation Method.
- NB This does not preclude other prudent methods.

MRP in 2013-14: Options 1 and 2 may be used only for supported (i.e. financing costs deemed to be supported through Revenue Support Grant from Central Government) Non-HRA capital expenditure funded from borrowing. Methods of making prudent provision for unsupported Non-HRA capital expenditure include Options 3 and 4.

This MRP Statement is being submitted before the start of the 2013-14 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement will be submitted as at that time.

The Authority will apply Option 3 in respect of supported and unsupported Non-HRA capital expenditure funded from borrowing.

The MRP in respect of leases’ schemes which were brought onto the Balance Sheet under the International Financial Reporting Standards (IFRS) Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

**2.5.6 Icelandic Bank Investments** –The council has received repayment of £5.7m of the initial Capital Investment of £6.5m with the remaining capital balance of £730k currently remaining in Iceland. The interest element attributed to the investment made - £624k also currently resides in Iceland.

The Council continues to pursue this with the LGA and Bevan Brittan for the transfer of these funds to the UK. It is too early to provide a definitive policy on how any exchange rate risk will be managed, but the expectation will be that the risk will be managed proactively and assets converted to sterling at the earliest opportunity.

## **2.6 End of year investment report**

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

## **2.7 Scheme of delegation and Role of the section 151 officer**

Please see **Appendix 6**.

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## Appendix

1. Prudential & Treasury Indicators
  2. Interest rate forecasts
  3. Economic background
  4. Treasury Management practice - Specified and non specified investments and limits
  5. Approved countries for investments
  6. Treasury management scheme of delegation and the role of the section 151 officer
  7. Glossary
-

## Appendix 1 Prudential and Treasury Indicators

### Existing Investment & Debt Portfolio Position

|   | <b>31/01/13<br/>Actual Portfolio<br/>£m</b> |
|---|---|
| <b>External Borrowing:</b>                            |   |
| - Total External Borrowing                            | 0   |
| <b>Other Long Term Liabilities:</b>                   |   |
| - Finance Leases                                      | 0   |
| <b>Total Gross External Debt</b>                      | <b>0</b>                                    |
| <b>Investments:</b>                                   |   |
| <b>Managed in-house</b>                               |   |
| - Short-term monies (Deposits/ monies on call / MMFs) | 64,159                                      |
| - Long-term investments                               | 5,000                                       |
| <b>Managed externally</b>                             |   |
| - By Fund Managers                                    | 11,700                                      |
| - Pooled Funds (please list)                          | 0   |
| <b>Total Investments</b>                              | <b>80,859</b>                               |

#### Background:

It is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

#### Net Borrowing and the Capital Financing Requirement:

This is a key indicator of prudence. In order to ensure that over the medium-term net borrowing will only be for a capital purposes, the local authority needs to ensure that the net external borrowing does not (except in the short term) exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The Director of Resources reports that the authority had no difficulty meeting this requirement in 2012-13, nor is there any difficulties envisaged for future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

### Estimates of Capital Expenditure:

This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, considers the impact on Council Tax.

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

|  | <b>2012/13<br/>Actual<br/>£000s</b> | <b>2013/14<br/>Estimated<br/>£000s</b> | <b>2014/15<br/>Estimated<br/>£000s</b> | <b>2015/16<br/>Estimated<br/>£000s</b> |
|--|-------------------------------------|--|--|--|
| Capital Expenditure                    | 5,817                               | 9,243                                  | 5,091                                  | 2,758                                  |
| <b>Financed by:</b>                    |                                     |  |  |  |
| Capital receipts                       | (4,517)                             | (8,498)                                | (4,716)                                | (2,758)                                |
| Capital grants                         | (375)                               | (375)                                  | (375)                                  | -                                      |
| Revenue funded reserves                | (925)                               | (370)                                  | -                                      | -                                      |
| Direct Revenue Financing               | -                                   | -                                      | -                                      | -                                      |
| <b>Net financing need for the year</b> | -                                   | -                                      | -                                      | -                                      |

### Ratio of Financing Costs to Net Revenue Stream:

This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs.

The definition of financing costs is set out in the Prudential Code.

The ratio is based on costs net of investment income.

| <b>Ratio of Financing Costs to Net Revenue Stream</b> | <b>2012-13<br/>Approved<br/>%</b> | <b>2012-13<br/>Revised%</b> | <b>2013-14<br/>Estimate<br/>%</b> | <b>2014-15<br/>Estimate<br/>%</b> | <b>2015-16<br/>Estimate<br/>%</b> |
|---|-----------------------------------|-----------------------------|-----------------------------------|-----------------------------------|-----------------------------------|
| <b>Total</b>  | <b>0</b>                          | <b>0</b>                    | <b>0</b>                          | <b>0</b>                          | <b>0</b>                          |

### Capital Financing Requirement:

The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing.

The CFR is simply the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of Council's underlying borrowing need. The Council is required to pay off an element of the accumulated General Fund capital spend each year through a revenue charge (the



Minimum Revenue Provision), although it is also allowed to undertake additional voluntary payments.

The Council is debt free and has no plans to enter into any long term debt arrangements. As such this section is largely irrelevant but is included for completeness if there was a decision to go back into debt. Therefore, the Council has a nil Minimum Revenue Provision for 2012/13.

The Council is asked to **approve a NIL CFR projection.**

### **Actual External Debt:**

This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

| <b>Actual External Debt as at 31/03/2012</b> | <b>£m</b> |
|--|-----------|
| Borrowing                                    | 0         |
| Other Long-term Liabilities                  | 0         |
| <b>Total</b>                                 | <b>0</b>  |

### **Incremental Impact of Capital Investment Decisions:**

This is an indicator of affordability that shows the impact of capital investment decisions on the Council Tax. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

The Council's capital plans, as estimated in forthcoming financial years, have a neutral impact on council tax. This reflects the fact that capital expenditure is predominantly financed from internal resources (grants, contributions, revenue and capital receipts) and that any increase in the underlying need to borrow is supported through the Revenue Support Grant system.

### **Adoption of the CIPFA Treasury Management Code:**

This indicator demonstrates that the Council has adopted the principles of best practice.

|  |
|--|
| Adoption of the CIPFA Code of Practice in Treasury Management  |
| The Council approved the adoption of the CIPFA Treasury Management Code at its Full Council meeting on 27 <sup>th</sup> February 2012. |

The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

This Council is aware that there is now a new indicator on net debt which has been considered; however, this is not detailed further as the Council currently has no plans to go into debt during the 2013-14 financial year.

### Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure:

These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates.

The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments:

|   | Existing level<br>(or<br>Benchmark<br>level)<br>at 31/03/12 % | 2012-13<br>Approved<br>£m or % | 2012-13<br>Revised<br>£m or % | 2013-14<br>Estimate<br>£m or % | 2014-15<br>Estimate<br>£m or % | 2015-16<br>Estimate<br>£m or % |
|---|---|--------------------------------|-------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Upper Limit for Fixed Interest Rate Exposure    | -£0.030   | -£0.030                        | -£0.030                       | -£0.030                        | -£0.030                        | -£0.030                        |
| Upper Limit for Variable Interest Rate Exposure | -£0.012   | -£0.012                        | -£0.012                       | -£0.012                        | -£0.012                        | -£0.012                        |

The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

As the Council's investments are substantially in excess of its borrowing, these calculations have resulted in a negative figure.

### Maturity Structure of Fixed Rate borrowing:

This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

| <b>Maturity structure of fixed rate borrowing</b> | <b>Existing level (or Benchmark level) at 31/03/12 %</b> | <b>Lower Limit for 2013/14 %</b> | <b>Upper Limit for 2013/14 %</b> |
|---|--|----------------------------------|----------------------------------|
| Less than twelve months                           | 0%   | 0%                               | 100%                             |
| 12 months – 10 years                              | 0%   | 0%                               | 100%                             |
| 10 years plus                                     | 0%   | 0%                               | 100%                             |

### **Credit Risk:**

The Council considers security, liquidity and yield, in that order, when making investment decisions with Security the most important. With the uncertainty in market, the Council is seeking to place investments for a short term and is effectively forgoing return in order to protect capital.

Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.

The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:

- Published credit ratings of the financial institution
- Sovereign support mechanisms;
- Credit default swaps (where quoted);
- Share prices (where available);
- Economic fundamentals, such as a country's net debt as a percentage of its GDP);
- Corporate developments, news, articles, markets sentiment and momentum;
- Subjective overlay.

The only indicators with prescriptive values remain to be credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

### **Upper Limit for total principal sums invested over 364 days:**

The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

| <b>Upper Limit for total principal sums invested over 364 days</b> | <b>2012-13 Approved £m</b> | <b>2012-13 Revised £m</b> | <b>2013-14 Estimate £m</b> | <b>2014-15 Estimate £m</b> | <b>2015-16 Estimate £m</b> |
|--|----------------------------|---------------------------|----------------------------|----------------------------|----------------------------|
|  | 15.0                       | 15.0                      | 15.0                       | 15.0                       | 15.0                       |

## **Appendix 3: Economic Background**

### **The Global economy**

The Eurozone debt crisis has continued to cast a pall over the world economy and has depressed growth in most countries. This has impacted the UK economy which

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is unlikely to have grown significantly in 2012 and is creating a major headwind for recovery in 2013. Quarter 2 of 2012 was the third quarter of contraction in the economy; this recession is the worst and slowest recovery of any of the five recessions since 1930. A return to growth @ 0.9% in quarter 3 is unlikely to prove anything more than a washing out of the dip in the previous quarter before a probable return to negative growth in quarter 4; this would leave overall growth in 2012 close to zero and could then lead into negative growth in quarter 1 of 2013, which would then mean that the UK was in its first triple dip recession since records began in 1955.

The **Eurozone sovereign debt crisis** abated following the ECB's commitment to a programme of Outright Monetary Transactions i.e. a pledge to buy unlimited amounts of bonds of countries which ask for a bailout. The immediate target for this statement was Spain which continues to prevaricate on making such a request, (for a national bailout), and so surrendering its national sovereignty to IMF supervision. However, the crisis in Greece has subsided, for the time being, as a result of the Eurozone agreement to provide a further €50bn financial support package in December. Many commentators, though, still view a Greek exit from the Euro as being likely in the longer term as successive rounds of austerity packages could make it more difficult to bring down the annual deficit and total debt as ratios of GDP due to the effect they have on shrinking the economy and reducing employment and tax revenues. However, another possible way out would be a major write down of total Greek debt; this has now been raised by the German Chancellor as a possible course of action, but not until 2014-15, and provided the Greek annual budget is in balance.

Sentiment in financial markets has improved considerably since this ECB action and additional financial support for Greece to ensure that the Eurozone remained intact during 2012. However, the foundations to this "solution" to the Eurozone debt crisis are still weak and do not address the huge obstacle of unemployment rates of over 25% in Greece and Spain. It is also possible that the situations in Portugal and Cyprus could deteriorate further in 2013 and, although they are minor economies, such developments could unnerve financial markets. There are also general elections coming up in Italy and Germany which could potentially produce some upsets on the political scene. It is, therefore, quite possible that sentiment in financial markets could turn during 2013 after the initial burst of optimism at the start of the year. While equity prices have enjoyed a strong start to 2013, the foundations for this stock market recovery are shallow given the economic fundamentals in western economies. In addition, QE has to come to an end at some point in time and there is a distinct increase in doubt in the central banks of the US and UK as to the effectiveness of any further QE in stimulating economic growth. An end to central purchases of bonds may lead to a fall in bond prices.

**The US economy** has only been able to manage weak growth in 2012 despite huge efforts by the Federal Reserve to stimulate the economy by liberal amounts of quantitative easing (QE) combined with a commitment to a continuation of ultra low interest rates into 2015. Unemployment levels have been slowly reducing but against a background of a fall in the numbers of those available for work. The fiscal cliff facing the President at the start of 2013 has been a major dampener discouraging business from spending on investment and increasing employment more significantly in case there is a sharp contraction in the economy in the pipeline. The fiscal cliff, and raising the total debt ceiling, still await final resolution by the end

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of February. The housing market, though, does look as if it has, at long last, reached the bottom and house prices are now on the up.

Hopes for a broad based recovery have, therefore, focused on the **emerging markets**. Recent news from China appears to indicate that the economy has returned to a healthier rate of growth. However, there are still concerns around the unbalanced nature of the economy which is heavily dependent on new investment expenditure. The potential for the bubble in the property sector to burst, as it did in Japan in the 1990s, could have a material impact on the economy as a whole.

### **The UK economy**

The Government's austerity measures, aimed at getting the public sector deficit into order, have now had to be extended, in the autumn statement, over a longer period than the original four years. Achieving this new extended timeframe will still be dependent on the UK economy returning to a reasonable pace of growth towards the end of this period.

Currently, the UK is enjoying a major financial benefit from some of the lowest sovereign borrowing costs in the world as the UK is seen as a safe haven from Eurozone debt. However, the subsiding of market concerns over the Eurozone has unwound some of the attractiveness of gilts as a safe haven and led to a significant rise in gilt yields. There is little evidence that UK consumer confidence levels are recovering, nor that the manufacturing sector is picking up. The dominant services sector disappointed in December with the PMI survey indicating the first fall in activity in two years. On the positive side, banks have made huge progress since 2008 in shrinking their balance sheets to more manageable levels and also in reducing their dependency on wholesale funding. However, availability of credit remains tight in the economy and the Funding for Lending scheme, which started in August 2012, has not yet had time to make a significant impact in respect of materially increasing overall borrowing in the economy. Finally, the housing market remains tepid and the outlook is for house prices to be little changed for a prolonged period.

**Economic Growth.** Economic growth has basically flat lined since the election of 2010 and, worryingly, the economic forecasts for 2012 and beyond were revised substantially lower in the Bank of England Inflation quarterly report for August 2012 and were then further lowered in the November Report. Quantitative Easing (QE) increased by £50bn in July 2012 to a total of £375bn. Many forecasters are expecting the MPC to vote for a further round of QE in early 2013 to try to stimulate economic activity. The announcement in November 2012 that £35bn will be transferred from the Bank of England's Asset Purchase Facility to the Treasury (representing coupon payments to the Bank by the Treasury on gilts held by the Bank) was also effectively a further addition of QE.

**Unemployment.** The Government's austerity strategy has resulted in a substantial reduction in employment in the public sector. Despite this, total employment has increased to the highest level for four years as over one million jobs have been created in the private sector in the last two years.

**Inflation and Bank Rate.** Inflation has fallen sharply during 2012 from a peak of 5.2% in September 2011 to 2.2% in September 2012. However, inflation increased back to 2.7% by the end of the year, though it is expected to fall back to reach the 2% target level within the two year horizon.

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**AAA rating.** The UK continues to enjoy an AAA sovereign rating. However, the three main credit rating agencies have stated that they will be reviewing this rating in early 2013; they will, thereafter, also be carefully monitoring the rate of growth in the economy as a disappointing performance in that area could lead to a major derailment of the plans to contain the growth in the total amount of Government debt over the next few years.

### **Sector's forward view**

Economic forecasting remains difficult with so many external influences weighing on the UK. There does, however, appear to be consensus among analysts that the economy remains relatively fragile and whilst there is still a broad range of views as to potential performance, expectations have all been downgraded during 2012. Key areas of uncertainty include:

- the potential for the Eurozone to withdraw support for Greece at some point if the Greek government was unable to eliminate the annual budget deficit and the costs of further support were to be viewed as being prohibitive, so causing a worsening of the Eurozone debt crisis and heightened risk of the breakdown of the bloc or even of the currency itself. The same considerations could also apply to Spain;
- inter government agreement on how to deal with the overall Eurozone debt crisis could fragment;
- the impact of the Eurozone crisis on financial markets and the banking sector;
- the impact of the Government's austerity plan on confidence and growth and the need to rebalance the economy from services to manufactured goods;
- the under-performance of the UK economy which could undermine the Government's policies that have been based upon levels of growth that are unlikely to be achieved;
- the risk of the UK's main trading partners, in particular the EU and US, falling into recession;
- stimulus packages failing to stimulate growth;
- elections due in Italy and Germany in 2013;
- potential for protectionism i.e. an escalation of the currency war / trade dispute between the US and China;
- the potential for action to curtail the Iranian nuclear programme;
- the situation in Syria deteriorating and impacting other countries in the Middle East.

The focus of so many consumers, corporates and banks on reducing their borrowings, rather than spending, will continue to act as a major headwind to a return to robust growth in western economies.

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Given the weak outlook for economic growth, Sector sees the prospects for any changes in Bank Rate before 2015 as very limited. There is potential for the start of Bank Rate increases to be even further delayed if growth disappoints.

Sector believes that the longer run trend is for gilt yields and PWLB rates to rise due to the high volume of gilt issuance in the UK, and the high volume of debt issuance in other major western countries. The interest rate forecast in this report represents a balance of downside and upside risks. The downside risks have already been commented on. However, there are specific identifiable upside risks as follows to PWLB rates and gilt yields, and especially to longer term rates and yields: -

- UK inflation being significantly higher than in the wider EU and US causing an increase in the inflation premium in gilt yields;
  - Reversal of QE; this could initially be allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held;
  - Reversal of Sterling's safe haven status on an improvement in financial stresses in the Eurozone;
  - Investors reverse de-risking by moving money from government bonds into shares in anticipation of a return to worldwide economic growth;
  - The possibility of a UK credit rating downgrade.
-

## Appendix 4 : Credit and Counterparty Risk Management Specified and Non-Specified Investments and Limits

### SPECIFIED INVESTMENTS:

(All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable)

|  | Minimum 'High' Credit Criteria            | Use      |
|--|---|----------|
| Debt Management Agency Deposit Facility      | --  | In-house |
| Term deposits – local authorities            | --  | In-house |
| Term deposits – banks and building societies | Green                                     | In-house |
| Term deposits – banks and building societies | Short-term F1, Long-term A, Viability BB+ | Investec |

### Term deposits with nationalised banks and banks and building societies

|                            | Minimum Credit Criteria  | Use      | Max £                                  | Max. maturity period |
|----------------------------|--|----------|--|----------------------|
| UK part nationalised banks | Green  | In-house | <b>£15m including Investec's limit</b> | <b>364 days</b>      |
| UK part nationalised banks | UK sovereign rating or Short-term F1, Long term A ,Viability BB+ | Investec | <b>Max 15% of fund</b>                 | <b>364 days</b>      |

|  |   |                            |
|--|---|----------------------------|
| Collateralised deposit   | UK sovereign rating                       | In-house and Fund Managers |
| Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee | Green                                     | In-house and Investec      |
| Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee | Short-term F1, Long-term A, Viability BB+ | Investec                   |
| UK Government Gilts  | UK sovereign rating                       | Investec                   |
| Bonds issued by multilateral development banks   | AA-                                       | Investec                   |
| Sovereign bond issues (other than the UK govt)   | AA-                                       | Investec                   |
| Treasury Bills   | UK sovereign rating                       | In house and Fund Managers |
|  |   |                            |



| Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): - |     |          |
|--|-----|----------|
| 1. Government Liquidity Funds  | AAA | In-house |
| 2. Money Market Funds  | AAA | In-house |

**Accounting treatment of investments.** The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, we will review the accounting implications of new transactions before they are undertaken.

**NON-SPECIFIED INVESTMENTS:** A maximum of 30% will be held in aggregate in non-specified investment

. Maturities of ANY period

|  | * Minimum Credit Criteria                 | Use                    | Max % of fund | Max. maturity period |
|--|---|------------------------|---------------|----------------------|
| Commercial paper issuance covered by a specific UK Government (explicit) guarantee | Short-term F1, Long-term A, Viability BB+ | In- house and Investec | 15%           | 2 years              |
| Commercial paper other   | Short-term F1, Long-term A, Viability BB+ | In- house and Investec | 15%           | 2 years              |
| Other debt issuance by UK banks covered by UK Government (explicit) guarantee      | Short-term F1, Long-term A, Viability BB+ | In- house and Investec | 15%           | 2 years              |

## Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management

The CLG issued Investment Guidance in 2010, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds, which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 01/03/2002 and will apply its principles to all investment activity. In accordance with the Code, the Director of Finance has produced its Treasury Management Practices (TMPs). This part, TMP 1(5), covering investment counterparty policy requires approval each year.

**Annual Investment Strategy** - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Council will use. These are high security (i.e. high credit rating, although this is defined by the Council, and no guidelines are given), and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Council is:

**Strategy Guidelines** – The main strategy guidelines are contained in the body of the treasury strategy statement.

**Specified Investments** – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Council has the right to be repaid within 12 months if it wishes. These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with:

1. The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
  2. Supranational bonds of less than one year's duration.
  3. A local authority, parish council or community council.
  4. Pooled investment vehicles (such as money market funds) that have been awarded a high credit rating by a credit rating agency. For category 4 this covers pooled
-

investment vehicles, such as money market funds, rated AAA by Standard and Poor's, Moody's or Fitch rating agencies.

5. A body that is considered of a high credit quality (such as a bank or building society) For category 5 this covers bodies with a minimum short term rating of F1, P-1, or A-1 (or the equivalent) as rated by Standard and Poor's, Moody's or Fitch rating agencies.

Within these bodies, and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in these bodies. This criteria is: \_

#### **SPECIFIED INVESTMENTS:**

(All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable)

|  | <b>Minimum 'High' Credit Criteria</b>     | <b>Use</b> |
|--|---|------------|
| Debt Management Agency Deposit Facility      | --  | In-house   |
| Term deposits – local authorities            | --  | In-house   |
| Term deposits – banks and building societies | Green                                     | In-house   |
| Term deposits – banks and building societies | Short-term F1, Long-term A, Viability BB+ | Investec   |

#### **Term deposits with nationalised banks and banks and building societies**

|                            | <b>Minimum Credit Criteria</b>            | <b>Use</b> | <b>Max £</b>                           | <b>Max. maturity period</b> |
|----------------------------|---|------------|--|-----------------------------|
| UK part nationalised banks | Green                                     | In-house   | <b>£15m including Investec's limit</b> | <b>364 days</b>             |
| UK part nationalised banks | Short-term F1, Long-term A, Viability BB+ | Investec   | <b>Max 15% of fund</b>                 | <b>364 days</b>             |

|  |   |                            |
|--|---|----------------------------|
| Collateralised deposit   | UK sovereign rating   | In-house and Fund Managers |
| Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee | Green   | In-house and Investec      |
| Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee | UK sovereign rating or Short-term F, Long-term A, Viability BB+ | Investec                   |

|  |                     |                            |
|--|---------------------|----------------------------|
| UK Government Gilts                            | UK sovereign rating | Investec                   |
| Bonds issued by multilateral development banks | AA-                 | Investec                   |
| Sovereign bond issues (other than the UK govt) | AA-                 | Investec                   |
| Treasury Bills                                 | UK sovereign rating | In house and Fund Managers |

**Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -**

|                               |     |          |
|-------------------------------|-----|----------|
| 1. Government Liquidity Funds | AAA | In-house |
| 2. Money Market Funds         | AAA | In-house |

**Non-Specified Investments** – Non-specified investments are any other type of investment (i.e. not defined as Specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are set out below. Non specified investments would include any sterling investments with:

|    | <b>Non Specified Investment Category</b>   | <b>Limit (£ or %)</b> |
|----|--|-----------------------|
| a. | <b>Supranational Bonds greater than 1 year to maturity</b><br><b>(a) Multilateral development bank bonds</b> - These are bonds defined as an international financial institution having as one of its objects economic development, either generally or in any region of the world (e.g. European Investment Bank etc.).                       | AA- long term ratings |
| b. | <b>Gilt edged securities</b> with a maturity of greater than one year. These are Government bonds and so provide the highest security of interest and the repayment of principal on maturity. Similar to category (a) above, the value of the bond may rise or fall before maturity and losses may accrue if the bond is sold before maturity. | 100%                  |

**The Monitoring of Investment Counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from Sector as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor

downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Resources or Head of Finance & Procurement, and if required new counterparties which meet the criteria will be added to the list.

**Use of External Fund Managers** – It is the Council's policy to use external fund managers for part of its investment portfolio. The fund managers will use both specified and non-specified investment categories, and are contractually committed to keep to the Council's investment strategy. The performance of each manager is reviewed at least monthly by the Head of Finance & Procurement and the managers are contractually required to comply with the annual investment strategy

## **Appendix 5 : Approved countries for investments**

*Based on lowest available rating*

### AAA

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland
- U.K.

### AA+

- France
- Hong Kong
- U.S.A.

### AA

- Qatar
- UAE

### AA-

- Belgium
  - Saudi Arabia
-

## **Appendix 6 : Scheme of Delegation**

### **6.0 Scheme of delegation**

#### **6.1 Full council**

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy.

#### **6.2 Executive**

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities
- receiving and reviewing regular monitoring reports and acting on recommendations
- approving the selection of external service providers and agreeing terms of appointment.

#### **6.3 Accounts Audit & Risk Committee**

reviewing the treasury management policy and procedures and making recommendations to the responsible body.

#### **6.4 Role of the section 151 officer**

##### **The S151 (responsible) officer**

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
  - submitting regular treasury management policy reports
  - submitting budgets and budget variations
  - receiving and reviewing management information reports
  - reviewing the performance of the treasury management function
  - ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
  - ensuring the adequacy of internal audit, and liaising with external audit
  - recommending the appointment of external service providers.
-

## Appendix 7: Glossary

|  |   |
|--|---|
| <b>Asset Class Limits</b>                            | Limit on the amount of the total portfolio that can be invested an asset class for example credit rated Banks, Money Market Funds unrated Building Societies  |
| <b>Asset Life</b>                                    | The length of the useful life of an asset e.g. a school   |
| <b>Borrowing / Investment Portfolio</b>              | A list of loans or investments held by the Council.   |
| <b>Borrowing Requirement</b>                         | The amount that the Council needs to borrow to finance capital expenditure and manage debt.   |
| <b>Callable deposit</b>                              | Funds placed with a financial institution without a fixed maturity date (i.e. the money can be 'called' or withdrawn at any time).  |
| <b>Capitalisation direction</b>                      | Government approval to use capital resources to fund revenue expenditure.   |
| <b>Cash deposits</b>                                 | Funds placed with a financial institution with a fixed maturity date and interest rate.   |
| <b>Certificates of deposits</b>                      | (CD). CDs evidence fixed maturity time deposits with issuing banks or other deposit-taking institutions. Maturities range from less than a week to five years. They are normally negotiable and enjoy a liquid secondary market. They state the (1) amount deposited, (2) rate of interest, and (3) minimum period for which the deposit should be maintained without incurring early withdrawal penalties. |
| <b>CIPFA Code of Practice on Treasury Management</b> | A code of practice issued by CIPFA detailing best practice for managing the treasury management function.   |
| <b>Collateralised Deposit</b>                        | Term deposits with UK institutions where such deposits are secured against a collateral pool comprised of loans made to UK local authorities.   |
| <b>Counterparty</b>                                  | Banks, Building Societies and other financial institutions that the Council transacts with for borrowing and lending.   |
| <b>Credit Arrangements</b>                           | Methods of financing such as the use of finance leases  |
| <b>Credit Ratings</b>                                | A scoring system used by credit rating agencies such as Fitch, Moody's and Standard and Poors to indicate the creditworthiness and other factors of a Governments, banks, building societies and other financial institutions.  |
| <b>Creditworthiness</b>                              | How highly rated an institution is according to its credit rating.  |
| <b>Debt Management Office</b>                        | An agency of the HM Treasury and its responsibilities include debt and cash management for the UK   |



|   |   |
|---|---|
|   | Government  |
| <b>Debt Rescheduling</b>                    | Refinancing loans on different terms and rates to the original loan.  |
| <b>Financial instrument</b>                 | Document (such as a bond, share, bill of exchange, futures or options contract) that has a monetary value or evidences a legally enforceable (binding) agreement between two or more parties regarding a right to payment of money.   |
| <b>Fitch Ratings</b>                        | A credit rating agency.   |
| <b>Forward commitment</b>                   | Written agreement by a lender to advance a loan on a future date at a specified interest rate. It automatically expires if not exercised by the potential borrower.   |
| <b>Gilts</b>                                | Also known as Gilt-edged Securities. UK central Government debt. It may be dated (redeemable) or undated. Undated gilts are perpetual debt, paying a fixed periodic coupon but having no final redemption date. Gilt yields are conventionally quoted in the UK markets on a semi-annual basis. |
| <b>Interest Rate exposures</b>              | A measure of the proportion of money invested and what impact movements in the financial markets would have on them.  |
| <b>Lender Option Borrower Option (LOBO)</b> | Loans that have a fixed rate for a specified number of years then can be varied by the lender at agreed intervals for the remaining life of the loan.   |
| <b>Limits for external debt</b>             | A Prudential Indicator prescribed by the Prudential Code sets limits on the total amount of debt the Council could afford.  |
| <b>Liquidity</b>                            | Access to cash that is readily available.   |
| <b>Lowest Common Denominator</b>            | Whereby rating agencies provide credit ratings of institutions and the lowest rating is applied to determine whether they meet the criteria to be on the Council's lending list.  |
| <b>Maturity</b>                             | The date when an investment is repaid or the period covered by a fixed term investment.   |
| <b>Maturity Structure of Borrowings</b>     | A profile of the Council's loan portfolio in order of the date in which they expire and require repayment.  |
| <b>Minimum Revenue Provision</b>            | The minimum amount, which must be charged to an authority's revenue account each year for the prudent repayment of debt.  |
| <b>Money Market Funds</b>                   | Open ended collective investment fund that invests in highly-liquid short-term financial instruments (with maturities typically 90 days to less than one year).   |
| <b>Moody's</b>                              | A credit rating agency.   |
| <b>Non Specified Investments</b>            | Investments deemed to have a greater potential of   |

|   |  |
|---|--|
|   | risk, such as investments for longer than one year or with institutions that do not have credit ratings, like some Building Societies. Limits must be set on the amounts that may be held in such investments at any one time during   |
| <b>Portfolio</b>  | A number of different assets, liabilities, or assets and liabilities together, considered as a whole. For example, a diversified investment portfolio. An investor in such a portfolio might hold a number of different investment assets within the portfolio, with the objectives of growing the total value of the portfolio and limiting the risk of losses. |
| <b>Prudential Borrowing</b>                                     | Borrowing undertaken by the Council that does not attract government support to help meet financing costs.   |
| <b>Prudential Code for Capital Finance in Local Authorities</b> | The capital finance system is based on the Prudential Code developed by CIPFA. The key feature of the system is that local authorities should determine the level of their capital investment and how much they borrow to finance that investment based on their own assessment of what they can afford.   |
| <b>Prudential Indicators</b>                                    | The key objectives of the Prudential Code are to ensure that the capital investment plans are affordable, sustainable and prudent. As part of this framework, the Prudential Code sets out several indicators that must be used to demonstrate this.   |
| <b>Public Works Loan Board (PWLB)</b>                           | A central government agency which provides loans to local authorities and other prescribed institutions at interest rates slightly higher than those at which the Government itself can borrow.  |
| <b>Credit Rated</b>   | Institutions that possess a credit rating from a credit rating agency such as Fitch, Moody's or Standard and Poors.  |
| <b>Risk Control</b>   | Putting in place processes to control exposures to events.   |
| <b>Security</b>   | Placing cash in highly rated institutions.   |
| <b>Sovereign debt rating</b>                                    | Assessment of the international rating agencies of the likelihood that a particular country will default on its loans.   |
| <b>Specified Investments</b>                                    | Investments that offer high security and liquidity. They must have a maturity of no longer than 364 days.  |
| <b>Standard and Poors</b>                                       | A credit rating agency.  |
| <b>Supranational Institutions</b>                               | Multi national structures - an amalgamation of different countries offering investment opportunities - for example Euro Investment Bank  |
| <b>UK Government Investments</b>                                | Debt Management Office (DMO) deposits and bonds (gilts) for which maturity date at time of purchase is less than 365 days away   |

|              |   |
|--------------|---|
|              |   |
| <b>Yield</b> | The rate of return on the current market value of an asset or liability, usually expressed as a percentage per annum. For example, today's yield to maturity of a bond measures the total return to an investor in the bond, reflecting both the interest income over the life of the bond and any capital gain (or loss) from today's market value to the redemption amount payable at maturity. |

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# U.K. Interest Rate Forecasts

| Bank Rate         |       |        |        |        |        |        |        |        |        |        |        |        |        |        |
|-------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
|                   | NOW   | Mar-13 | Jun-13 | Sep-13 | Dec-13 | Mar-14 | Jun-14 | Sep-14 | Dec-14 | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 |
| Sector's View     | 0.50% | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.75%  | 1.00%  | 1.25%  | 1.50%  | 1.75%  |
| UBS               | 0.50% | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | -      | -      | -      | -      | -      |
| Capital Economics | 0.50% | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | 0.50%  | -      | -      | -      | -      | -      |
| 5yr PWLB Rate     |       |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                   | NOW   | Mar-13 | Jun-13 | Sep-13 | Dec-13 | Mar-14 | Jun-14 | Sep-14 | Dec-14 | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 |
| Sector's View     | 1.83% | 1.50%  | 1.50%  | 1.60%  | 1.60%  | 1.70%  | 1.70%  | 1.80%  | 2.00%  | 2.20%  | 2.30%  | 2.50%  | 2.70%  | 2.90%  |
| UBS               | 1.83% | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      | -      |
| Capital Economics | 1.83% | 1.55%  | 1.30%  | 1.30%  | 1.30%  | 1.30%  | 1.30%  | 1.50%  | 1.60%  | -      | -      | -      | -      | -      |
| 10yr PWLB Rate    |       |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                   | NOW   | Mar-13 | Jun-13 | Sep-13 | Dec-13 | Mar-14 | Jun-14 | Sep-14 | Dec-14 | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 |
| Sector's View     | 2.85% | 2.50%  | 2.50%  | 2.60%  | 2.60%  | 2.70%  | 2.70%  | 2.80%  | 3.00%  | 3.20%  | 3.30%  | 3.50%  | 3.70%  | 3.90%  |
| UBS               | 2.85% | 3.00%  | 3.10%  | 3.20%  | 3.40%  | 3.50%  | 3.60%  | 3.70%  | 3.80%  | -      | -      | -      | -      | -      |
| Capital Economics | 2.85% | 2.55%  | 2.30%  | 2.30%  | 2.30%  | 2.30%  | 2.30%  | 2.30%  | 2.30%  | -      | -      | -      | -      | -      |
| 25yr PWLB Rate    |       |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                   | NOW   | Mar-13 | Jun-13 | Sep-13 | Dec-13 | Mar-14 | Jun-14 | Sep-14 | Dec-14 | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 |
| Sector's View     | 4.03% | 3.80%  | 3.80%  | 3.80%  | 3.80%  | 3.90%  | 3.90%  | 4.00%  | 4.10%  | 4.30%  | 4.40%  | 4.60%  | 4.80%  | 5.00%  |
| UBS               | 4.03% | 4.20%  | 4.30%  | 4.40%  | 4.50%  | 4.50%  | 4.50%  | 4.50%  | 4.50%  | -      | -      | -      | -      | -      |
| Capital Economics | 4.03% | 3.70%  | 3.50%  | 3.50%  | 3.50%  | 3.50%  | 3.50%  | 3.50%  | 3.50%  | -      | -      | -      | -      | -      |
| 50yr PWLB Rate    |       |        |        |        |        |        |        |        |        |        |        |        |        |        |
|                   | NOW   | Mar-13 | Jun-13 | Sep-13 | Dec-13 | Mar-14 | Jun-14 | Sep-14 | Dec-14 | Mar-15 | Jun-15 | Sep-15 | Dec-15 | Mar-16 |
| Sector's View     | 4.17% | 4.00%  | 4.00%  | 4.00%  | 4.00%  | 4.10%  | 4.10%  | 4.20%  | 4.30%  | 4.50%  | 4.60%  | 4.80%  | 5.00%  | 5.20%  |
| UBS               | 4.17% | 4.30%  | 4.40%  | 4.50%  | 4.60%  | 4.60%  | 4.60%  | 4.60%  | 4.60%  | -      | -      | -      | -      | -      |
| Capital Economics | 4.17% | 4.00%  | 3.80%  | 3.80%  | 3.80%  | 3.80%  | 3.80%  | 3.80%  | 3.80%  | -      | -      | -      | -      | -      |

Please note – The current PWLB rates and forecast shown above have taken into account the 20 basis point certainty rate reduction effective as of the 1<sup>st</sup> November 2012



## **Pay Policy Statement 2013-14**

### **1. Definition and Scope**

This Pay Policy Statement sets out the Councils' policies towards a range of issues relating to the pay of the workforce, in particular Chief Officers and the lowest paid staff.

In accordance with the requirements of the Localism Act 2011, the Pay Policy Statement will be agreed by the Councils for each financial year and will be published on the Councils' websites. This statement can be amended during the financial year, providing any changes are approved by full Council at both Councils.

All decisions on pay and reward for Chief Officers will comply with this pay policy statement.

Councillors at both Councils will be given the opportunity to vote before salary packages are offered in respect of any new appointment to a shared role where the annual salary package is £100,000 or over. In the event that the relevant post is not shared the Councillors of the Council concerned will be given this opportunity.

Chief Officer is defined as all officers employed by either Council on the JNC terms and conditions for Chief Officers. This includes all Members of the Joint Management Team (JMT) that is 1 Chief Executive, 3 Directors and 8 Heads of Service.

The Joint Management Team includes officers employed by each Council, currently 5 members of the team are employed by Cherwell District Council and 7 members of the team are employed by South Northamptonshire Council. A decision on which Council employs members of the joint management team is made in relation to each appointment but salary and all other terms and conditions are identical irrespective of which organisation has the employment relationship.

At a time when the Councils and the wider economy are facing considerable financial pressure and uncertainty, it is understandable that there are high levels of interest in, and scrutiny of, the Council's senior management pay and reward structures.

In the context of managing scarce public resources, remuneration at all levels needs to be adequate to secure and retain high-quality employees dedicated to the service of the public, but at the same time needs to avoid being unnecessarily generous or otherwise excessive (and being seen as such).

### **2. Determination of Pay Levels**

Following a job evaluation and benchmarking exercise conducted under the HayGroup Job Evaluation Scheme ('Hay Scheme') in 2011, the Councils formally adopted a salary scale for Chief Officers. The 'Hay Scheme' is a systematic process for ranking jobs logically and fairly by comparing job against job or against a pre-determined scale to determine the relative importance of jobs to an organisation. This Chief Officers' salary scale is published on the

Councils' websites.

Any new posts will be evaluated using the Hay Scheme and paid in accordance with the published salary scale.

### **3. Determination of individual pay levels within grade**

#### **(a) On appointment**

The Chief Executive is appointed to a spot salary of £125,000 per annum.

Other Chief Officers are appointed to a salary within a range as below.

| <b>Director</b> |          |
|-----------------|----------|
|                 | <b>£</b> |
| DIR001          | 79,000   |
| DIR002          | 81,500   |
| DIR003          | 84,000   |
| DIR004          | 86,500   |
| DIR005          | 88,000   |

| <b>Head of Service</b> |          |
|------------------------|----------|
|                        | <b>£</b> |
| HOS001                 | 52,000   |
| HOS002                 | 53,000   |
| HOS003                 | 54,000   |
| HOS004                 | 55,000   |
| HOS005                 | 56,000   |
| HOS006                 | 57,000   |
| HOS007                 | 58,000   |
| HOS008                 | 59,000   |
| HOS009                 | 60,000   |
| HOS010                 | 61,000   |
| HOS011                 | 62,000   |
| HOS012                 | 63,000   |
| HOS013                 | 64,000   |
| HOS014                 | 65,000   |
| HOS015                 | 66,000   |
| HOS016                 | 67,000   |
| HOS017                 | 68,000   |
| HOS018                 | 69,000   |
| HOS019                 | 70,000   |
| HOS020                 | 71,000   |
| HOS021                 | 72,000   |
| HOS022                 | 73,000   |

The salaries above are before the consideration of a pay award for 2013-14.

The point at which officers are appointed to the scale is determined by Members of the Joint Personnel Committee when the offer is made. Factors taken into account are:

- Skills and experience
- Current salary
- Market factors

Where the conditions of the scheme are met, new appointments may also access financial support for relocation up to the amount specified within the policy which is published on the Council's websites.

The Councils do not currently operate a system of 'earn-back' pay for Chief Officers, where an element of their pay is 'at risk' and has to be earned back each year through meeting pre-agreed objectives.

### **(b) Progression through the pay scales**

Progress through the Chief Officer pay scale each year is subject to the overall organisation objectives being met as detailed within the corporate plans and subject to there being no individual performance issues. In the latter case incremental progression can be withheld pending improvement. For individuals who perform exceptionally well there is discretion to accelerate progression within the scale. This discretion is delegated to the Chief Executive in consultation with the Leader of each Council. In the event that organisational objectives are not met there is no incremental progression.

### **(c) Additional pay**

Chief Officers do not receive any bonus payments or performance related pay.

The Chief Executive is also appointed by the Councils as their Returning Officer. This is a separate appointment to the Chief Executive's employment by Cherwell District Council. The Returning Officer's fee is paid separately from and in addition to the Chief Executive's salary. The Returning Officer's fee is set by the Councils for district and parish elections but determined either by central government or another determining body e.g. the County Council, European Parliament or Electoral Commission for other elections.

Election duties performed by Chief Officers are separate to their employment by the Council and are paid separately from their salary at levels determined by the Returning Officer. This reflects the very significant additional duties undertaken by staff volunteering to carry out election duties over and above their normal contractual council responsibilities and such staff are employed by the Returning Officer and not the Council for these duties. In setting fee levels, the Returning Officer takes into account a range of factors, including levels of responsibility and expertise required.

A flat rate special responsibility allowance of £2500pa is paid to the following officers:

- Monitoring Officer (Head of Law and Governance)
- S151 Officer (Director of Resources)

Detailed pay statements for the last financial year can be found on the Councils' websites.

[http://www.cherwell.gov.uk/index.cfm?articleid=1563/Statement of accounts 11 12.pdf](http://www.cherwell.gov.uk/index.cfm?articleid=1563/Statement%20of%20accounts%2011%2012.pdf)

[http://www.southnorthants.gov.uk/1491.htm/Statement of Accounts 2011-12.pdf](http://www.southnorthants.gov.uk/1491.htm/Statement%20of%20Accounts%202011-12.pdf)

#### **4. When employment ends**

A Chief Officer who ceases employment with the Council may be entitled to a severance payment if they are being dismissed either on grounds of redundancy or in the interests of the efficient exercise of the Councils' functions. The procedure applicable in these circumstances is governed by the Councils' Organisational Change Policy.

The council's Pensions Discretion Policy sets out the discretions which the Council is able to exercise in the case of Chief Officers (and all other employees). The procedure for approving the application of any pension discretion is contained within this policy.

The Pensions Discretion Policies of each Council make clear that the abatement provisions of the Local Government Pension scheme will apply if an employee, who is in receipt of a LGPS pension, is re-employed by the Council at a rate that results in their new pay plus pension being higher than the pay in the job from which they retired.

Officers who have received a redundancy payment and/or early access to their pension may only be re-employed by either Council on an exception basis for a specific purpose and explicit agreement of the Chief Executive in consultation with the Leader of each Council, must be given.

#### **5. Terms and conditions of employment**

Chief Officers' terms and conditions of employment are in accordance with the Scheme of Conditions of Service for the Joint Negotiating Committee (JNC) for Local Authorities' Chief Officers as supplemented by the Councils' Employment policies. These may be amended from time to time by the Council and agreements made with employee representative bodies.

#### **6. Remuneration of the lowest paid employees**

##### **(a) Cherwell District Council**

The remuneration of the lowest-paid employees at Cherwell District Council is determined by the application of the Greater London Provincial Council Job Evaluation Scheme ('GLPC Scheme'). The GLPC developed and adopted this scheme for use by London boroughs and later extended its use more widely. Its aim is to operate grading arrangements based on principles of fairness, transparency, and consistency.

The lowest paid employee is on Grade 1A of the pay scheme. The current rate of pay for this post is £13,651 per annum (including 1.5% pay award for 2013/14).

The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 4.53.

##### **(b) South Northamptonshire Council**

The remuneration of the lowest paid employees at South Northamptonshire Council is determined by the application of the Hay Scheme.

The lowest paid employee is on Grade 11 SCP 1 of the scheme. The current rate of pay for this post is £15,585 per annum (pay award from the 1 April 2013 not yet determined).

The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 3.85.

#### **7. Relationship between the remuneration of the Council's chief officers and other officers**



The Councils' policies in respect of Chief Officer pay and other officers vary only in the application of allowances for additional working hours and access to increments. Chief Officers are expected to work the number of hours required to properly perform their duties including out of hours and emergency cover. No additional allowances are paid in respect of these duties.

Chief officers' incremental progression is dependent on achievement of corporate objectives and individual performance and may be withheld or accelerated on this basis.

CALCULATIONS REQUIRED BY SECTIONS 32 to 36 OF THE LOCAL GOVERNMENT FINANCE ACT 1992

| 2013/14            | CALCULATIONS AT BAND D |                                       |                       |                                   |                      |          |                                    | TAX CALCULATED FOR EACH VALUATION BAND BY CHERWELL |             |             |             |              |              |              |              |  |
|--------------------|------------------------|---------------------------------------|-----------------------|-----------------------------------|----------------------|----------|------------------------------------|--|-------------|-------------|-------------|--------------|--------------|--------------|--------------|--|
|                    | Tax Base<br>2013/14    | PRECEPT<br>PLUS grant<br>2013/14<br>£ | GRANT<br>2013/14<br>£ | PARISH<br>PRECEPT<br>2013/14<br>£ | PARISH<br>NEEDS<br>£ | 2013/14  |                                    | VALUATION BAND AND APPROPRIATE PROPORTION          |             |             |             |              |              |              |              |  |
|                    |                        |                                       |                       |                                   |                      | CHERWELL | TOTAL TAX<br>NEEDS CALCULATED<br>£ | 6<br>A<br>£  | 7<br>B<br>£ | 8<br>C<br>£ | 9<br>D<br>£ | 11<br>E<br>£ | 13<br>F<br>£ | 15<br>G<br>£ | 15<br>G<br>£ |  |
| Adderbury          | 1,125                  | 36,242.00                             | 1,726.00              | 34,516.00                         | 30.68                | 123.50   | 154.18                             | 102.79   | 119.92      | 137.05      | 154.18      | 188.44       | 222.70       | 256.97       | 308.36       |  |
| Ambrosden          | 581                    | 11,015.00                             | 201.91                | 10,813.09                         | 18.61                | 123.50   | 142.11                             | 94.74  | 110.53      | 126.32      | 142.11      | 173.69       | 205.27       | 236.85       | 284.22       |  |
| Ardley             | 249                    | 12,450.00                             | 440.60                | 12,009.40                         | 48.23                | 123.50   | 171.73                             | 114.49   | 133.57      | 152.65      | 171.73      | 209.89       | 248.05       | 286.22       | 343.46       |  |
| Arncott            | 268                    | 13,000.00                             | 1,201.87              | 11,798.13                         | 44.02                | 123.50   | 167.52                             | 111.68   | 130.29      | 148.91      | 167.52      | 204.75       | 241.97       | 279.20       | 335.04       |  |
| Banbury            | 12,567                 | 1,784,528.53                          | 249,846.53            | 1,534,682.00                      | 122.12               | 123.50   | 245.62                             | 163.75   | 191.04      | 218.33      | 245.62      | 300.20       | 354.78       | 409.37       | 491.24       |  |
| Barford            | 255                    | 7,000.00                              | 32.81                 | 6,967.19                          | 27.32                | 123.50   | 150.82                             | 100.55   | 117.30      | 134.06      | 150.82      | 184.34       | 217.85       | 251.37       | 301.64       |  |
| Begbroke           | 353                    | 25,501.77                             | 83.93                 | 25,417.84                         | 72.01                | 123.50   | 195.51                             | 130.34   | 152.06      | 173.79      | 195.51      | 238.96       | 282.40       | 325.85       | 391.02       |  |
| Bicester           | 9,576                  | 1,047,647.00                          | 66,391.30             | 981,255.70                        | 102.47               | 123.50   | 225.97                             | 150.65   | 175.75      | 200.86      | 225.97      | 276.19       | 326.40       | 376.62       | 451.94       |  |
| Blackthorn         | 141                    | 10,639.00                             | 346.58                | 10,292.42                         | 73.00                | 123.50   | 196.50                             | 131.00   | 152.83      | 174.67      | 196.50      | 240.17       | 283.83       | 327.50       | 393.00       |  |
| Bletchington       | 319                    | 16,000.00                             | 1,194.83              | 14,805.17                         | 46.41                | 123.50   | 169.91                             | 113.27   | 132.15      | 151.03      | 169.91      | 207.67       | 245.43       | 283.18       | 339.82       |  |
| Bloxham            | 1,321                  | 60,760.00                             | 1,256.16              | 59,503.84                         | 45.04                | 123.50   | 168.54                             | 112.36   | 131.09      | 149.81      | 168.54      | 205.99       | 243.45       | 280.90       | 337.08       |  |
| Bodicote           | 811                    | 24,861.00                             | 855.68                | 24,005.32                         | 29.60                | 123.50   | 153.10                             | 102.07   | 119.08      | 136.09      | 153.10      | 187.12       | 221.14       | 255.17       | 306.20       |  |
| Bourton            | 287                    | 8,500.00                              | 317.90                | 8,182.10                          | 28.51                | 123.50   | 152.01                             | 101.34   | 118.23      | 135.12      | 152.01      | 185.79       | 219.57       | 253.35       | 304.02       |  |
| Broughton          | 120                    | 3,500.00                              | 305.68                | 3,194.32                          | 26.62                | 123.50   | 150.12                             | 100.08   | 116.76      | 133.44      | 150.12      | 183.48       | 216.84       | 250.20       | 300.24       |  |
| Bucknell           | 99                     | 4,750.00                              | 413.63                | 4,336.37                          | 43.80                | 123.50   | 167.30                             | 111.53   | 130.12      | 148.71      | 167.30      | 204.48       | 241.66       | 278.83       | 334.60       |  |
| Caversfield        | 437                    | 4,000.00                              | 89.52                 | 3,910.48                          | 8.95                 | 123.50   | 132.45                             | 88.30  | 103.02      | 117.73      | 132.45      | 161.88       | 191.32       | 220.75       | 264.90       |  |
| Charlton on Otmoor | 191                    | 5,500.00                              | 110.02                | 5,389.98                          | 28.22                | 123.50   | 151.72                             | 101.15   | 118.00      | 134.86      | 151.72      | 185.44       | 219.15       | 252.87       | 303.44       |  |
| Chesterton         | 408                    | 15,000.00                             | 685.34                | 14,314.66                         | 35.08                | 123.50   | 158.58                             | 105.72   | 123.34      | 140.96      | 158.58      | 193.82       | 229.06       | 264.30       | 317.16       |  |
| Claydon            | 135                    | 4,000.00                              | 108.21                | 3,891.79                          | 28.83                | 123.50   | 152.33                             | 101.55   | 118.48      | 135.40      | 152.33      | 186.18       | 220.03       | 253.88       | 304.66       |  |
| Cottisford         | 70                     | 0.00                                  | 0.00                  | 0.00                              | 0.00                 | 123.50   | 123.50                             | 82.33  | 96.06       | 109.78      | 123.50      | 150.94       | 178.39       | 205.83       | 247.00       |  |
| Cropredy           | 294                    | 9,500.00                              | 436.95                | 9,063.05                          | 30.83                | 123.50   | 154.33                             | 102.89   | 120.03      | 137.18      | 154.33      | 188.63       | 222.92       | 257.22       | 308.66       |  |
| Deddington         | 872                    | 35,431.00                             | 2,022.24              | 33,408.76                         | 38.31                | 123.50   | 161.81                             | 107.87   | 125.85      | 143.83      | 161.81      | 197.77       | 233.73       | 269.68       | 323.62       |  |
| Drayton            | 86                     | 5,000.00                              | 252.33                | 4,747.67                          | 55.21                | 123.50   | 178.71                             | 119.14   | 139.00      | 158.85      | 178.71      | 218.42       | 258.14       | 297.85       | 357.42       |  |
| Duns Tew           | 214                    | 10,032.00                             | 352.91                | 9,679.09                          | 45.23                | 123.50   | 168.73                             | 112.49   | 131.23      | 149.98      | 168.73      | 206.23       | 243.72       | 281.22       | 337.46       |  |
| Epwell             | 136                    | 3,442.00                              | 114.76                | 3,327.24                          | 24.47                | 123.50   | 147.97                             | 98.65  | 115.09      | 131.53      | 147.97      | 180.85       | 213.73       | 246.62       | 295.94       |  |
| Fencot and Murcott | 126                    | 3,000.00                              | 24.70                 | 2,975.30                          | 23.61                | 123.50   | 147.11                             | 98.07  | 114.42      | 130.76      | 147.11      | 179.80       | 212.49       | 245.18       | 294.22       |  |
| Finmere            | 214                    | 6,050.00                              | 0.00                  | 6,050.00                          | 28.27                | 123.50   | 151.77                             | 101.18   | 118.04      | 134.91      | 151.77      | 185.50       | 219.22       | 252.95       | 303.54       |  |
| Fringford          | 248                    | 10,000.00                             | 714.91                | 9,285.09                          | 37.44                | 123.50   | 160.94                             | 107.29   | 125.18      | 143.06      | 160.94      | 196.70       | 232.47       | 268.23       | 321.88       |  |
| Fritwell           | 264                    | 6,500.00                              | 508.70                | 5,991.30                          | 22.69                | 123.50   | 146.19                             | 97.46  | 113.70      | 129.95      | 146.19      | 178.68       | 211.16       | 243.65       | 292.38       |  |

CALCULATIONS REQUIRED BY SECTIONS 32 TO 36 OF THE LOCAL GOVERNMENT FINANCE ACT 1992

| 2013/14                 | CALCULATIONS AT BAND D |            |           |                |              |                            |   | TAX CALCULATED FOR EACH VALUATION BAND BY CHERWELL |        |        |        |        |        |        |        |
|-------------------------|------------------------|------------|-----------|----------------|--------------|----------------------------|---|--|--------|--------|--------|--------|--------|--------|--------|
|                         | Tax Base               | PRECEPT    | GRANT     | PARISH PRECEPT | PARISH NEEDS | 2013/14 CHERWELL TOTAL TAX | VALUATION BAND AND APPROPRIATE PROPORTION |  |        |        |        |        |        |        |        |
|                         | 2013/14                | 2013/14    | 2013/14   | 2013/14        | NEEDS        | NEEDS CALCULATED           | 6 A                                       | 7 B  | 8 C    | 9 D    | 11 E   | 13 F   | 15 G   | 18 H   |        |
|                         | £                      | £          | £         | £              | £            | £                          | £   | £  | £      | £      | £      | £      | £      | £      |        |
| Godington               | 22                     | 0.00       | 0.00      | 0.00           | 0.00         | 123.50                     | 123.50                                    | 82.33  | 96.06  | 109.78 | 123.50 | 150.94 | 178.39 | 205.83 | 247.00 |
| Gosford and Water Eator | 520                    | 17,965.00  | 797.29    | 17,167.71      | 33.01        | 123.50                     | 156.51                                    | 104.34   | 121.73 | 139.12 | 156.51 | 191.29 | 226.07 | 260.85 | 313.02 |
| Hampton Gay and Poyle   | 73                     | 2,000.00   | 15.01     | 1,984.99       | 27.19        | 123.50                     | 150.69                                    | 100.46   | 117.20 | 133.95 | 150.69 | 184.18 | 217.66 | 251.15 | 301.38 |
| Hanwell                 | 123                    | 6,000.00   | 322.74    | 5,677.26       | 46.16        | 123.50                     | 169.66                                    | 113.11   | 131.96 | 150.81 | 169.66 | 207.36 | 245.06 | 282.77 | 339.32 |
| Hardwick with Tusmore   | 37                     | 0.00       | 0.00      | 0.00           | 0.00         | 123.50                     | 123.50                                    | 82.33  | 96.06  | 109.78 | 123.50 | 150.94 | 178.39 | 205.83 | 247.00 |
| Hethe                   | 105                    | 3,600.00   | 415.07    | 3,184.93       | 30.33        | 123.50                     | 153.83                                    | 102.55   | 119.65 | 136.74 | 153.83 | 188.01 | 222.20 | 256.38 | 307.66 |
| Hook Norton             | 879                    | 52,000.00  | 2,315.25  | 49,684.75      | 56.52        | 123.50                     | 180.02                                    | 120.01   | 140.02 | 160.02 | 180.02 | 220.02 | 260.03 | 300.03 | 360.04 |
| Horley                  | 158                    | 6,275.00   | 5.65      | 6,269.35       | 39.68        | 123.50                     | 163.18                                    | 108.79   | 126.92 | 145.05 | 163.18 | 199.44 | 235.70 | 271.97 | 326.36 |
| Hornton                 | 160                    | 6,000.00   | 175.32    | 5,824.68       | 36.40        | 123.50                     | 159.90                                    | 106.60   | 124.37 | 142.13 | 159.90 | 195.43 | 230.97 | 266.50 | 319.80 |
| Horton cum Studley      | 243                    | 6,000.00   | 23.61     | 5,976.39       | 24.59        | 123.50                     | 148.09                                    | 98.73  | 115.18 | 131.64 | 148.09 | 181.00 | 213.91 | 246.82 | 296.18 |
| Islip                   | 310                    | 16,785.00  | 478.39    | 16,306.61      | 52.60        | 123.50                     | 176.10                                    | 117.40   | 136.97 | 156.53 | 176.10 | 215.23 | 254.37 | 293.50 | 352.20 |
| Kidlington              | 4,571                  | 596,091.88 | 42,799.75 | 553,292.13     | 121.04       | 123.50                     | 244.54                                    | 163.03   | 190.20 | 217.37 | 244.54 | 298.88 | 353.22 | 407.57 | 489.08 |
| Kirtlington             | 434                    | 17,500.00  | 427.12    | 17,072.88      | 39.34        | 123.50                     | 162.84                                    | 108.56   | 126.65 | 144.75 | 162.84 | 199.03 | 235.21 | 271.40 | 325.68 |
| Launton                 | 474                    | 15,500.00  | 736.92    | 14,763.08      | 31.15        | 123.50                     | 154.65                                    | 103.10   | 120.28 | 137.47 | 154.65 | 189.02 | 223.38 | 257.75 | 309.30 |
| Lower Heyford           | 211                    | 9,680.00   | 466.08    | 9,213.92       | 43.67        | 123.50                     | 167.17                                    | 111.45   | 130.02 | 148.60 | 167.17 | 204.32 | 241.47 | 278.62 | 334.34 |
| Merton                  | 139                    | 7,364.00   | 0.00      | 7,364.00       | 52.98        | 123.50                     | 176.48                                    | 117.65   | 137.26 | 156.87 | 176.48 | 215.70 | 254.92 | 294.13 | 352.96 |
| Middle Aston            | 65                     | 0.00       | 0.00      | 0.00           | 0.00         | 123.50                     | 123.50                                    | 82.33  | 96.06  | 109.78 | 123.50 | 150.94 | 178.39 | 205.83 | 247.00 |
| Middleton Stoney        | 146                    | 3,200.00   | 105.53    | 3,094.47       | 21.20        | 123.50                     | 144.70                                    | 96.47  | 112.54 | 128.62 | 144.70 | 176.86 | 209.01 | 241.17 | 289.40 |
| Milcombe                | 207                    | 9,700.00   | 540.83    | 9,159.17       | 44.25        | 123.50                     | 167.75                                    | 111.83   | 130.47 | 149.11 | 167.75 | 205.03 | 242.31 | 279.58 | 335.50 |
| Milton                  | 117                    | 400.00     | 20.74     | 379.26         | 3.24         | 123.50                     | 126.74                                    | 84.49  | 98.58  | 112.66 | 126.74 | 154.90 | 183.07 | 211.23 | 253.48 |
| Mixbury                 | 116                    | 0.00       | 0.00      | 0.00           | 0.00         | 123.50                     | 123.50                                    | 82.33  | 96.06  | 109.78 | 123.50 | 150.94 | 178.39 | 205.83 | 247.00 |
| Mollington              | 221                    | 8,250.00   | 0.00      | 8,250.00       | 37.33        | 123.50                     | 160.83                                    | 107.22   | 125.09 | 142.96 | 160.83 | 196.57 | 232.31 | 268.05 | 321.66 |
| Newton Purcell          | 38                     | 0.00       | 0.00      | 0.00           | 0.00         | 123.50                     | 123.50                                    | 82.33  | 96.06  | 109.78 | 123.50 | 150.94 | 178.39 | 205.83 | 247.00 |
| Noke                    | 78                     | 2,750.00   | 0.00      | 2,750.00       | 35.26        | 123.50                     | 158.76                                    | 105.84   | 123.48 | 141.12 | 158.76 | 194.04 | 229.32 | 264.60 | 317.52 |
| North Aston             | 87                     | 1,200.00   | 23.99     | 1,176.01       | 13.52        | 123.50                     | 137.02                                    | 91.35  | 106.57 | 121.80 | 137.02 | 167.47 | 197.92 | 228.37 | 274.04 |
| North Newington         | 149                    | 4,500.00   | 90.01     | 4,409.99       | 29.60        | 123.50                     | 153.10                                    | 102.07   | 119.08 | 136.09 | 153.10 | 187.12 | 221.14 | 255.17 | 306.20 |
| Oddington               | 65                     | 0.00       | 0.00      | 0.00           | 0.00         | 123.50                     | 123.50                                    | 82.33  | 96.06  | 109.78 | 123.50 | 150.94 | 178.39 | 205.83 | 247.00 |
| Piddington              | 168                    | 6,300.00   | 302.40    | 5,997.60       | 35.70        | 123.50                     | 159.20                                    | 106.13   | 123.82 | 141.51 | 159.20 | 194.58 | 229.96 | 265.33 | 318.40 |
| Prescote                | 6                      | 0.00       | 0.00      | 0.00           | 0.00         | 123.50                     | 123.50                                    | 82.33  | 96.06  | 109.78 | 123.50 | 150.94 | 178.39 | 205.83 | 247.00 |
| Shenington              | 213                    | 4,080.00   | 115.77    | 3,964.23       | 18.61        | 123.50                     | 142.11                                    | 94.74  | 110.53 | 126.32 | 142.11 | 173.69 | 205.27 | 236.85 | 284.22 |
| Shipton on Cherwell     | 138                    | 4,500.00   | 202.07    | 4,297.93       | 31.14        | 123.50                     | 154.64                                    | 103.09   | 120.28 | 137.46 | 154.64 | 189.00 | 223.37 | 257.73 | 309.28 |
| Shutford                | 198                    | 6,000.00   | 290.48    | 5,709.52       | 28.84        | 123.50                     | 152.34                                    | 101.56   | 118.49 | 135.41 | 152.34 | 186.19 | 220.05 | 253.90 | 304.68 |
| Sibford Ferris          | 189                    | 6,779.00   | 53.57     | 6,725.43       | 35.58        | 123.50                     | 159.08                                    | 106.05   | 123.73 | 141.40 | 159.08 | 194.43 | 229.78 | 265.13 | 318.16 |
| Sibford Gower           | 241                    | 6,500.00   | 223.00    | 6,277.00       | 26.05        | 123.50                     | 149.55                                    | 99.70  | 116.32 | 132.93 | 149.55 | 182.78 | 216.02 | 249.25 | 299.10 |
| Somerton                | 137                    | 5,000.00   | 51.80     | 4,948.20       | 36.12        | 123.50                     | 159.62                                    | 106.41   | 124.15 | 141.88 | 159.62 | 195.09 | 230.56 | 266.03 | 319.24 |

CALCULATIONS REQUIRED BY SECTIONS 32 to 36 OF THE LOCAL GOVERNMENT FINANCE ACT 1992

| 2013/14                                  | CALCULATIONS AT BAND D |                              |                 |                          |                |                  |                     | TAX CALCULATED FOR EACH VALUATION BAND BY CHERWELL |          |          |          |          |          |          |          |
|--|------------------------|------------------------------|-----------------|--------------------------|----------------|------------------|---------------------|--|----------|----------|----------|----------|----------|----------|----------|
|  | Tax Base 2013/14       | PRECEPT PLUS grant 2013/14 £ | GRANT 2013/14 £ | PARISH PRECEPT 2013/14 £ | PARISH NEEDS £ | CHERWELL NEEDS £ | 2013/14 TOTAL TAX £ | VALUATION BAND AND APPROPRIATE PROPORTION          |          |          |          |          |          |          |          |
|  |                        |                              |                 |                          |                |                  |                     | 6 A  | 7 B      | 8 C      | 9 D      | 11 E     | 13 F     | 15 G     | 18 H     |
| Souldern                                 | 196                    | 5,700.00                     | 114.00          | 5,586.00                 | 28.50          | 123.50           | 152.00              | 101.33   | 118.22   | 135.11   | 152.00   | 185.78   | 219.56   | 253.33   | 304.00   |
| South Newington                          | 151                    | 5,800.00                     | 182.04          | 5,617.96                 | 37.21          | 123.50           | 160.71              | 107.14   | 125.00   | 142.85   | 160.71   | 196.42   | 232.14   | 267.85   | 321.42   |
| Steeple Aston                            | 409                    | 21,409.00                    | 807.03          | 20,601.97                | 50.37          | 123.50           | 173.87              | 115.91   | 135.23   | 154.55   | 173.87   | 212.51   | 251.15   | 289.78   | 347.74   |
| Stoke Lyne                               | 98                     | 2,750.00                     | 158.64          | 2,591.36                 | 26.44          | 123.50           | 149.94              | 99.96  | 116.62   | 133.28   | 149.94   | 183.26   | 216.58   | 249.90   | 299.88   |
| Stratton Audley                          | 201                    | 5,750.00                     | 222.83          | 5,527.17                 | 27.50          | 123.50           | 151.00              | 100.67   | 117.44   | 134.22   | 151.00   | 184.56   | 218.11   | 251.67   | 302.00   |
| Swalcliffe                               | 104                    | 5,500.00                     | 258.36          | 5,241.64                 | 50.40          | 123.50           | 173.90              | 115.93   | 135.26   | 154.58   | 173.90   | 212.54   | 251.19   | 289.83   | 347.80   |
| Tadmarton                                | 247                    | 6,000.00                     | 269.01          | 5,730.99                 | 23.20          | 123.50           | 146.70              | 97.80  | 114.10   | 130.40   | 146.70   | 179.30   | 211.90   | 244.50   | 293.40   |
| Upper Heyford                            | 350                    | 15,200.00                    | 1,474.49        | 13,725.51                | 39.22          | 123.50           | 162.72              | 108.48   | 126.56   | 144.64   | 162.72   | 198.88   | 235.04   | 271.20   | 325.44   |
| Wardington                               | 231                    | 12,000.00                    | 562.93          | 11,437.07                | 49.51          | 123.50           | 173.01              | 115.34   | 134.56   | 153.79   | 173.01   | 211.46   | 249.90   | 288.35   | 346.02   |
| Wendlebury                               | 187                    | 4,240.00                     | 149.09          | 4,090.91                 | 21.88          | 123.50           | 145.38              | 96.92  | 113.07   | 129.23   | 145.38   | 177.69   | 209.99   | 242.30   | 290.76   |
| Weston on the Green                      | 230                    | 8,000.00                     | 396.40          | 7,603.60                 | 33.06          | 123.50           | 156.56              | 104.37   | 121.77   | 139.16   | 156.56   | 191.35   | 226.14   | 260.93   | 313.12   |
| Wiggington                               | 104                    | 3,000.00                     | 160.34          | 2,839.66                 | 27.30          | 123.50           | 150.80              | 100.53   | 117.29   | 134.04   | 150.80   | 184.31   | 217.82   | 251.33   | 301.60   |
| Wroxton                                  | 272                    | 6,000.00                     | 343.79          | 5,656.21                 | 20.79          | 123.50           | 144.29              | 96.19  | 112.23   | 128.26   | 144.29   | 176.35   | 208.42   | 240.48   | 288.58   |
| Yarnton                                  | 1,087                  | 60,000.00                    | 1,832.14        | 58,167.86                | 53.51          | 123.50           | 177.01              | 118.01   | 137.67   | 157.34   | 177.01   | 216.35   | 255.68   | 295.02   | 354.02   |
|  | 46,672                 |                              |                 |                          |                |                  |                     |  |          |          |          |          |          |          |          |
| Total of special items                   |                        | 4,177,118.18                 | 387,965.48      | 3,789,152.70             |                | 9,633.00         |                     |  |          |          |          |          |          |          |          |
| Cherwell Net Expenditure                 |                        |                              |                 | 3,789,152.70             |                |                  |                     |  |          |          |          |          |          |          |          |
| BUDGET REQUIREMENT                       |                        |                              |                 | 3,789,152.70             |                |                  |                     |  |          |          |          |          |          |          |          |
| Less Extenal Support etc                 |                        |                              |                 |                          |                |                  |                     |  |          |          |          |          |          |          |          |
| THE BASIC AMOUNT OF TAX                  |                        |                              |                 | 3,789,152.70             | 81.19          |                  |                     |  |          |          |          |          |          |          |          |
| Less Average Parish etc                  |                        |                              |                 |                          | (81.19)        |                  |                     |  |          |          |          |          |          |          |          |
| Cherwell DC needs                        |                        |                              |                 | 5,763,992                | 123.50         |                  |                     | 82.33  | 96.06    | 109.78   | 123.50   | 150.94   | 178.39   | 205.83   | 247.00   |
| Oxfordshire County Council Precept       |                        |                              |                 | 55,298,386               | Provisional    |                  |                     |  |          |          |          |          |          |          |          |
| Thames Valley Police Precept             |                        |                              |                 | 7,345,239                | Approved       |                  |                     |  |          |          |          |          |          |          |          |
| BASIC AMOUNT OF OXFORDSHIRE CC TAX       |                        |                              |                 |                          | 1,184.83       |                  |                     | 789.89   | 921.53   | 1,053.18 | 1,184.83 | 1,448.13 | 1,711.42 | 1,974.72 | 2,369.66 |
| BASIC AMOUNT OF THAMES VALLEY POLICE TAX |                        |                              |                 |                          | 157.38         |                  |                     | 104.92   | 122.41   | 139.89   | 157.38   | 192.35   | 227.33   | 262.30   | 314.76   |
| TOTAL REQUIRED FROM TAX                  |                        |                              |                 | 66,432,777.46            |                |                  |                     |  |          |          |          |          |          |          |          |
| TAX AT BAND D (Exc Parishes)             |                        |                              |                 |                          | 1,465.71       |                  |                     | 977.14   | 1,140.00 | 1,302.85 | 1,465.71 | 1,791.42 | 2,117.14 | 2,442.85 | 2,931.42 |
| TAX AT BAND D (Inc Parishes)             |                        |                              |                 |                          | 1,546.90       |                  |                     |  |          |          |          |          |          |          |          |
|  |                        |                              |                 |                          |                |                  |                     | 977.14   | 1140     | 1302.85  | 1465.71  | 1791.42  | 2117.14  | 2442.85  | 2931.42  |

| 2013/14<br>16-Feb-13    | COUNCIL TAX SETTING REQUIRED BY SECTION 30 OF THE 1992 ACT |             |             |             |              |              |              |              |
|-------------------------|--|-------------|-------------|-------------|--------------|--------------|--------------|--------------|
|                         | COUNCIL TAX SET FOR EACH VALUATION BAND                    |             |             |             |              |              |              |              |
|                         | VALUATION BAND AND APPROPRIATE PROPORTION                  |             |             |             |              |              |              |              |
|                         | 6<br>A<br>£  | 7<br>B<br>£ | 8<br>C<br>£ | 9<br>D<br>£ | 11<br>E<br>£ | 13<br>F<br>£ | 15<br>G<br>£ | 18<br>H<br>£ |
| Adderbury               | 997.60   | 1,163.86    | 1,330.12    | 1,496.39    | 1,828.92     | 2,161.45     | 2,493.99     | 2,992.78     |
| Ambrosden               | 989.55   | 1,154.47    | 1,319.39    | 1,484.32    | 1,814.17     | 2,144.02     | 2,473.87     | 2,968.64     |
| Ardley                  | 1,009.30   | 1,177.51    | 1,345.72    | 1,513.94    | 1,850.37     | 2,186.80     | 2,523.24     | 3,027.88     |
| Arncott                 | 1,006.49   | 1,174.23    | 1,341.98    | 1,509.73    | 1,845.23     | 2,180.72     | 2,516.22     | 3,019.46     |
| Banbury                 | 1,058.56   | 1,234.98    | 1,411.40    | 1,587.83    | 1,940.68     | 2,293.53     | 2,646.39     | 3,175.66     |
| Barford                 | 995.36   | 1,161.24    | 1,327.13    | 1,493.03    | 1,824.82     | 2,156.60     | 2,488.39     | 2,986.06     |
| Begbroke                | 1,025.15   | 1,196.00    | 1,366.86    | 1,537.72    | 1,879.44     | 2,221.15     | 2,562.87     | 3,075.44     |
| Bicester                | 1,045.46   | 1,219.69    | 1,393.93    | 1,568.18    | 1,916.67     | 2,265.15     | 2,613.64     | 3,136.36     |
| Blackthorn              | 1,025.81   | 1,196.77    | 1,367.74    | 1,538.71    | 1,880.65     | 2,222.58     | 2,564.52     | 3,077.42     |
| Bletchington            | 1,008.08   | 1,176.09    | 1,344.10    | 1,512.12    | 1,848.15     | 2,184.18     | 2,520.20     | 3,024.24     |
| Bloxham                 | 1,007.17   | 1,175.03    | 1,342.88    | 1,510.75    | 1,846.47     | 2,182.20     | 2,517.92     | 3,021.50     |
| Bodicote                | 996.88   | 1,163.02    | 1,329.16    | 1,495.31    | 1,827.60     | 2,159.89     | 2,492.19     | 2,990.62     |
| Bourton                 | 996.15   | 1,162.17    | 1,328.19    | 1,494.22    | 1,826.27     | 2,158.32     | 2,490.37     | 2,988.44     |
| Broughton               | 994.89   | 1,160.70    | 1,326.51    | 1,492.33    | 1,823.96     | 2,155.59     | 2,487.22     | 2,984.66     |
| Bucknell                | 1,006.34   | 1,174.06    | 1,341.78    | 1,509.51    | 1,844.96     | 2,180.41     | 2,515.85     | 3,019.02     |
| Caversfield             | 983.11   | 1,146.96    | 1,310.80    | 1,474.66    | 1,802.36     | 2,130.07     | 2,457.77     | 2,949.32     |
| Charlton on Otmoor      | 995.96   | 1,161.94    | 1,327.93    | 1,493.93    | 1,825.92     | 2,157.90     | 2,489.89     | 2,987.86     |
| Chesterton              | 1,000.53   | 1,167.28    | 1,334.03    | 1,500.79    | 1,834.30     | 2,167.81     | 2,501.32     | 3,001.58     |
| Claydon                 | 996.36   | 1,162.42    | 1,328.47    | 1,494.54    | 1,826.66     | 2,158.78     | 2,490.90     | 2,989.08     |
| Cottisford              | 977.14   | 1,140.00    | 1,302.85    | 1,465.71    | 1,791.42     | 2,117.14     | 2,442.85     | 2,931.42     |
| Cropredy                | 997.70   | 1,163.97    | 1,330.25    | 1,496.54    | 1,829.11     | 2,161.67     | 2,494.24     | 2,993.08     |
| Deddington              | 1,002.68   | 1,169.79    | 1,336.90    | 1,504.02    | 1,838.25     | 2,172.48     | 2,506.70     | 3,008.04     |
| Drayton                 | 1,013.95   | 1,182.94    | 1,351.92    | 1,520.92    | 1,858.90     | 2,196.89     | 2,534.87     | 3,041.84     |
| Duns Tew                | 1,007.30   | 1,175.17    | 1,343.05    | 1,510.94    | 1,846.71     | 2,182.47     | 2,518.24     | 3,021.88     |
| Epwell                  | 993.46   | 1,159.03    | 1,324.60    | 1,490.18    | 1,821.33     | 2,152.48     | 2,483.64     | 2,980.36     |
| Fencott and Murcott     | 992.88   | 1,158.36    | 1,323.83    | 1,489.32    | 1,820.28     | 2,151.24     | 2,482.20     | 2,978.64     |
| Finnere                 | 995.99   | 1,161.98    | 1,327.98    | 1,493.98    | 1,825.98     | 2,157.97     | 2,489.97     | 2,987.96     |
| Fringford               | 1,002.10   | 1,169.12    | 1,336.13    | 1,503.15    | 1,837.18     | 2,171.22     | 2,505.25     | 3,006.30     |
| Fritwell                | 992.27   | 1,157.64    | 1,323.02    | 1,488.40    | 1,819.16     | 2,149.91     | 2,480.67     | 2,976.80     |
| Godington               | 977.14   | 1,140.00    | 1,302.85    | 1,465.71    | 1,791.42     | 2,117.14     | 2,442.85     | 2,931.42     |
| Gosford and Water Eaton | 999.15   | 1,165.67    | 1,332.19    | 1,498.72    | 1,831.77     | 2,164.82     | 2,497.87     | 2,997.44     |
| Hampton Gay and Poyle   | 995.27   | 1,161.14    | 1,327.02    | 1,492.90    | 1,824.66     | 2,156.41     | 2,488.17     | 2,985.80     |
| Hanwell                 | 1,007.92   | 1,175.90    | 1,343.88    | 1,511.87    | 1,847.84     | 2,183.81     | 2,519.79     | 3,023.74     |
| Hardwick with Tusmore   | 977.14   | 1,140.00    | 1,302.85    | 1,465.71    | 1,791.42     | 2,117.14     | 2,442.85     | 2,931.42     |
| Hethe                   | 997.36   | 1,163.59    | 1,329.81    | 1,496.04    | 1,828.49     | 2,160.95     | 2,493.40     | 2,992.08     |
| Hook Norton             | 1,014.82   | 1,183.96    | 1,353.09    | 1,522.23    | 1,860.50     | 2,198.78     | 2,537.05     | 3,044.46     |
| Horley                  | 1,003.60   | 1,170.86    | 1,338.12    | 1,505.39    | 1,839.92     | 2,174.45     | 2,508.99     | 3,010.78     |
| Hornton                 | 1,001.41   | 1,168.31    | 1,335.20    | 1,502.11    | 1,835.91     | 2,169.72     | 2,503.52     | 3,004.22     |
| Horton cum Studley      | 993.54   | 1,159.12    | 1,324.71    | 1,490.30    | 1,821.48     | 2,152.66     | 2,483.84     | 2,980.60     |
| Islip                   | 1,012.21   | 1,180.91    | 1,349.60    | 1,518.31    | 1,855.71     | 2,193.12     | 2,530.52     | 3,036.62     |
| Kidlington              | 1,057.84   | 1,234.14    | 1,410.44    | 1,586.75    | 1,939.36     | 2,291.97     | 2,644.59     | 3,173.50     |
| Kirtlington             | 1,003.37   | 1,170.59    | 1,337.82    | 1,505.05    | 1,839.51     | 2,173.96     | 2,508.42     | 3,010.10     |
| Launton                 | 997.91   | 1,164.22    | 1,330.54    | 1,496.86    | 1,829.50     | 2,162.13     | 2,494.77     | 2,993.72     |
| Lower Heyford           | 1,006.26   | 1,173.96    | 1,341.67    | 1,509.38    | 1,844.80     | 2,180.22     | 2,515.64     | 3,018.76     |
| Merton                  | 1,012.46   | 1,181.20    | 1,349.94    | 1,518.69    | 1,856.18     | 2,193.67     | 2,531.15     | 3,037.38     |
| Middle Aston            | 977.14   | 1,140.00    | 1,302.85    | 1,465.71    | 1,791.42     | 2,117.14     | 2,442.85     | 2,931.42     |
| Middleton Stoney        | 991.28   | 1,156.48    | 1,321.69    | 1,486.91    | 1,817.34     | 2,147.76     | 2,478.19     | 2,973.82     |
| Milcombe                | 1,006.64   | 1,174.41    | 1,342.18    | 1,509.96    | 1,845.51     | 2,181.06     | 2,516.60     | 3,019.92     |
| Milton                  | 979.30   | 1,142.52    | 1,305.73    | 1,468.95    | 1,795.38     | 2,121.82     | 2,448.25     | 2,937.90     |
| Mixbury                 | 977.14   | 1,140.00    | 1,302.85    | 1,465.71    | 1,791.42     | 2,117.14     | 2,442.85     | 2,931.42     |
| Mollington              | 1,002.03   | 1,169.03    | 1,336.03    | 1,503.04    | 1,837.05     | 2,171.06     | 2,505.07     | 3,006.08     |
| Newton Purcell          | 977.14   | 1,140.00    | 1,302.85    | 1,465.71    | 1,791.42     | 2,117.14     | 2,442.85     | 2,931.42     |
| Noke                    | 1,000.65   | 1,167.42    | 1,334.19    | 1,500.97    | 1,834.52     | 2,168.07     | 2,501.62     | 3,001.94     |
| North Aston             | 986.16   | 1,150.51    | 1,314.87    | 1,479.23    | 1,807.95     | 2,136.67     | 2,465.39     | 2,958.46     |
| North Newington         | 996.88   | 1,163.02    | 1,329.16    | 1,495.31    | 1,827.60     | 2,159.89     | 2,492.19     | 2,990.62     |
| Oddington               | 977.14   | 1,140.00    | 1,302.85    | 1,465.71    | 1,791.42     | 2,117.14     | 2,442.85     | 2,931.42     |
| Piddington              | 1,000.94   | 1,167.76    | 1,334.58    | 1,501.41    | 1,835.06     | 2,168.71     | 2,502.35     | 3,002.82     |
| Prescote                | 977.14   | 1,140.00    | 1,302.85    | 1,465.71    | 1,791.42     | 2,117.14     | 2,442.85     | 2,931.42     |
| Shenington              | 989.55   | 1,154.47    | 1,319.39    | 1,484.32    | 1,814.17     | 2,144.02     | 2,473.87     | 2,968.64     |
| Shipton on Cherwell     | 997.90   | 1,164.22    | 1,330.53    | 1,496.85    | 1,829.48     | 2,162.12     | 2,494.75     | 2,993.70     |
| Shutford                | 996.37   | 1,162.43    | 1,328.48    | 1,494.55    | 1,826.67     | 2,158.80     | 2,490.92     | 2,989.10     |
| Sibford Ferris          | 1,000.86   | 1,167.67    | 1,334.47    | 1,501.29    | 1,834.91     | 2,168.53     | 2,502.15     | 3,002.58     |

|                     |          |          |          |          |          |          |          |          |
|---------------------|----------|----------|----------|----------|----------|----------|----------|----------|
| Sibford Gower       | 994.51   | 1,160.26 | 1,326.00 | 1,491.76 | 1,823.26 | 2,154.77 | 2,486.27 | 2,983.52 |
| Somerton            | 1,001.22 | 1,168.09 | 1,334.95 | 1,501.83 | 1,835.57 | 2,169.31 | 2,503.05 | 3,003.66 |
| Souldern            | 996.14   | 1,162.16 | 1,328.18 | 1,494.21 | 1,826.26 | 2,158.31 | 2,490.35 | 2,988.42 |
| South Newington     | 1,001.95 | 1,168.94 | 1,335.92 | 1,502.92 | 1,836.90 | 2,170.89 | 2,504.87 | 3,005.84 |
| Steeple Aston       | 1,010.72 | 1,179.17 | 1,347.62 | 1,516.08 | 1,852.99 | 2,189.90 | 2,526.80 | 3,032.16 |
| Stoke Lyne          | 994.77   | 1,160.56 | 1,326.35 | 1,492.15 | 1,823.74 | 2,155.33 | 2,486.92 | 2,984.30 |
| Stratton Audley     | 995.48   | 1,161.38 | 1,327.29 | 1,493.21 | 1,825.04 | 2,156.86 | 2,488.69 | 2,986.42 |
| Swalcliffe          | 1,010.74 | 1,179.20 | 1,347.65 | 1,516.11 | 1,853.02 | 2,189.94 | 2,526.85 | 3,032.22 |
| Tadmarton           | 992.61   | 1,158.04 | 1,323.47 | 1,488.91 | 1,819.78 | 2,150.65 | 2,481.52 | 2,977.82 |
| Upper Heyford       | 1,003.29 | 1,170.50 | 1,337.71 | 1,504.93 | 1,839.36 | 2,173.79 | 2,508.22 | 3,009.86 |
| Wardington          | 1,010.15 | 1,178.50 | 1,346.86 | 1,515.22 | 1,851.94 | 2,188.65 | 2,525.37 | 3,030.44 |
| Wendlebury          | 991.73   | 1,157.01 | 1,322.30 | 1,487.59 | 1,818.17 | 2,148.74 | 2,479.32 | 2,975.18 |
| Weston on the Green | 999.18   | 1,165.71 | 1,332.23 | 1,498.77 | 1,831.83 | 2,164.89 | 2,497.95 | 2,997.54 |
| Wiggington          | 995.34   | 1,161.23 | 1,327.11 | 1,493.01 | 1,824.79 | 2,156.57 | 2,488.35 | 2,986.02 |
| Wroxton             | 991.00   | 1,156.17 | 1,321.33 | 1,486.50 | 1,816.83 | 2,147.17 | 2,477.50 | 2,973.00 |
| Yarnton             | 1,012.82 | 1,181.61 | 1,350.41 | 1,519.22 | 1,856.83 | 2,194.43 | 2,532.04 | 3,038.44 |

| Parish Council/Meeting Name   | Comments received  | Analysis of Democratic and Elections Team   | Working Group comments   | Recommendation to Council?   |
|---|--|---|--|--|
| <a href="#">Adderbury Parish Council</a>                              | Request to increase number of Parish Councillors from 11 to 14, to improve expertise and knowledge base.   | Officers feel that an increase to 14 is too high, and would suggest 12 instead.   | Members agree with officers that an increase to 14 would be too high, and would lead to repeated co-options. Members feel consultation on an increase to 12 would be more appropriate  | Consult on increase to 12  |
| <a href="#">Ambrosden Parish Council</a>                              | Submitted a map showing an area that they would like to request be transferred into the Parish.  | Officers agree with this proposal for consultation  | Members agree with this proposal for consultation  | Consult on Incorporating the area highlighted into the Parish  |
| <a href="#">Ardley with Fewcott Parish Council</a>                    |  |   |  |  |
| <a href="#">Arcott Parish Council</a>                                 |  |   |  |  |
| <a href="#">Banbury Town Council</a>                                  | Amendments to be made to incorporate areas of planned housing growth at Bankside; west of Bretch Hill and north of Hanwell Fields, and also the historic Wykham Farm within the town boundary, in the interests of convenient and effective local government and to reflect the identities and interests of the community, and it seeks to correctly name the Parish Ward of Grimsbury and Castle under the review.  | Officers agree with all aspects of this proposal for consultation   | Members agree with all aspects of this proposal for consultation.  | Consult on all suggestions received, i.e inclusion of development outside of the existing Banbury Town Council boundary. |
| <a href="#">Barford St John and Barford St Michael Parish Council</a> |  |   |  |  |
| <a href="#">Begbroke Parish Council</a>                               | At the time of initial letter (April 2012) the PC considered that the status quo should be maintained. Further response received in January 2013 - suggestion received that, as a parish in it's own right, should be included in the name of the current electoral division which is Yarnton Gosford and Water Eaton, e.g. Yarnton, Begbroke, Gosford and Water Eaton.  | This query is outside the remit of this particular Review, and needs to be referred to the Boundary Commission as part of the District Review.  | Members agree with officer comments.   | No action required at this time.   |
| <a href="#">Bicester Town Council</a>                                 | Make a number of suggestions 1. a map was enclosed with the response with an indicative revised boundary 2. the incorporation of the Eco town in to the Town Council area; 3. the SW Bicester, Kingsmere site into Bicester from Chesterton; 4. the Graven Hill site into Bicester; 5. support for the site at RAF Bicester to be developed as a heritage centre; 6. Views on the scope of the revised boundaries are in line with a number of strategic documents already in place; 7. the increased area as outlined should comprise 9 Wards of 3 - 5 elected members each, resulting in a total of 27 - 36 members in total; 8. but prior to 2015 the representation to be increased to 20 members across the 5 existing wards. | 1. Officers feel that this is an aspirational outlook and not appropriate at the current time. 2. Officers agree with this element for consultation. 3. Officers also agree with this element for consultation. 4 & 5. Officers feel discussion with the Working Group is necessary for these elements. 6 & 7 Officers feel it is too early for these elements 8. Officers agree with this aspect to the response. In addition, officers feel it would be appropriate to consult on an increase in numbers from 15 to 20, and also from 15 to 25. | Members agree that the Eco Town should be consulted on as part of the Town Council area, as well as the SW Bicester/Kingsmere site. Members feel that Graven Hill should be left out of the consultations at present time. Members agree that it is too early to look at revised boundaries as per the submitted plan. Members agree with the proposal to consult on increasing numbers from 15 to 20. | Consult on Eco Town being included in the Parish, and increasing numbers from 15 to 20                                   |
| <a href="#">Blackthorn Parish Council</a>                             |  |   |  |  |
| <a href="#">Bletchington Parish Council</a>                           |  |   |  |  |

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| <a href="#">Bloxham Parish Council</a>                  | Request to increase number of Parish Councillors from 11 to 14 to ease workload on existing Councillors with large planning applications.   | Officers feel that an increase to 14 is too high, and would suggest 13 instead  | Members agree with officers that an increase to 14 would be too high, and would lead to repeated co-options. Members feel consultation on an increase to 12 would be more appropriate   | Consult on increase to 12  |
| <a href="#">Bodicote Parish Council</a>                 | Concerns about the potential lose of land to the Parish currently earmarked for the Bankside development. Feel that it would be better to wait until development has started before making a decision on warding.   | Warding of the Parish has already taken place and is outside of the control of this review. The principle of the inclusion of Bankside within Banbury has already been established and will be consulted on.  | Members agree that the consultation should include the principle of Bankside within Banbury.  | Consult on principle of Bankside being included within Banbury                   |
| <a href="#">Bourton Parish Council</a>                  |   |   |   |  |
| <a href="#">Broughton Parish Council</a>                |   |   |   |  |
| <a href="#">Bucknell Parish Council</a>                 | Would like the Eco Town to be considered a Ward of Bicester Town Council and not become part of any existing Parish Council. Bucknell Parish Council should keep its current remit.   | Officers agree that the Eco Town should be considered as part of Bicester Town Council.   | Members agree that the Eco Town should be consulted on as part of Bicester Town Council.  | Consult on principle of Eco Town being included within Bicester                  |
| <a href="#">Caversfield Parish Council</a>              | At the time of initial letter (April 2012) the PC expressed their view that it was extremely important for them to retain their own identity, particularly due to the gaining of residents when 'the Garden Quarter' is completed. They do not want to merge with another parish, or for the Eco Town to become part of their parish. | Officers agree and do not propose any changes to this Parish.   |   |  |
| <a href="#">Charlton-on-Otmoor Parish Council</a>       |   |   |   |  |
| <a href="#">Cherwell Parish Council</a>                 |   |   |   |  |
| <a href="#">Chesterton Parish Council</a>               | Would like clarification on when the warding of the parish is to take place; the line of the demarcation; reconsideration of the number of Parish Councillors due to increasing numbers of residents; possible creation of a Little Chesterton ward.  | i) - elections would take place in 2014 due to the proposed changes ii) officers support the line of demarcation being Vendee Drive iii) officers note that the Parish currently has 6 Councillors, and agree this should be increased to 7 iv) Warding won't be necessary as changes elsewhere will remove the issues. | Members agree that the line of demarcation should be Vendee Drive, and that the Parish should be increased from 6 to 7.   | Consult on dividing line being Vendee Drive, and increasing numbers from 6 to 7. |
| <a href="#">Claydon with Clattercote Parish Council</a> |   |   |   |  |
| <a href="#">Cottisford Parish Meeting</a>               |   |   |   |  |
| <a href="#">Croprey Parish Council</a>                  | Councillor Atack currently dealing with Prescote Parish meeting transferring to Croprey Parish Council.   | Officers support the action currently being taken, and propose to consult at the relevant time on whether the new Parish should still be called Croprey, or be renamed Croprey and Prescote.  | Members note the action being taken and agree to consult on the name of the Parish Council at the appropriate time. Since the working group meeting, Councillor Atack has advised that Prescote Parish Meeting wish to continue in their own right. | No action required at this time.   |



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| <a href="#">Deddington Parish Council</a>              |   |  |   |  |
| <a href="#">Drayton Parish Council</a>                 | In connection with the proposed planning applications for the Parish but which would be extensions of Banbury, the Parish Council would like to see the sites being moved in the township of Banbury. Boundaries would be tightly drawn around the sites, the parish would expect to retain Drayton Lodge Farm house, the golf course and associated houses. Would also expect to retain Withycombe Farmhouse and adjoining land. It would regret losing the houses and bungalow east of the Warwick Road but see the road as a natural boundary. | Officers agree with this proposal for consultation   | Members agree with this proposal for consultation           | Consult on principle of moving sites into Banbury Town Council area. |
| <a href="#">Duns Tew Parish Council</a>                |   |  |   |  |
| <a href="#">Epwell Parish Council</a>                  |   |  |   |  |
| <a href="#">Fencott and Murcott Parish Council</a>     |   |  |   |  |
| <a href="#">Finmere Parish Council</a>                 |   |  |   |  |
| <a href="#">Fringford Parish Council</a>               | No comments to add to the Review  |  |   |  |
| <a href="#">Fritwell Parish Council</a>                |   |  |   |  |
| <a href="#">Godington Parish Meeting</a>               | Would like to remain as a separate Parish Meeting and not be grouped with any other parish.   | Officers note the response and don't propose any changes that affect this Parish meeting.  | Members note the response and agree with officers comments. | No action required at this time.                                     |
| <a href="#">Gosford and Water Eaton Parish Council</a> | At the time of the initial letter (April 2012) the PC requested to be kept informed of all considerations for the review. They also asked about the future role of small parish councils that are 'constantly being regulated and ruled over by government directives'  | Officers note the response but this is not in the remit of the current Review.   | Members note the response and agree with officers comments. | No action required at this time.                                     |
| <a href="#">Hampton Gay and Poyle Parish Meeting</a>   |   |  |   |  |
| <a href="#">Hanwell Parish Council</a>                 |   |  |   |  |
| <a href="#">Hardwick with Tusmore Parish Meeting</a>   |   |  |   |  |
| <a href="#">Hethe Parish Council</a>                   |   |  |   |  |
| <a href="#">Hook Norton Parish Council</a>             |   |  |   |  |
| <a href="#">Horley Parish Council</a>                  |   |  |   |  |
| <a href="#">Hornton Parish Council</a>                 |   |  |   |  |
| <a href="#">Horton-cum-Studley Parish Council</a>      |   |  |   |  |
| <a href="#">Islip Parish Council</a>                   |   |  |   |  |
| <a href="#">Kidlington Parish Council</a>              |   |  |   |  |
| <a href="#">Kirtlington Parish Council</a>             |   |  |   |  |
| <a href="#">Launton Parish Council</a>                 |   |  |   |  |
| <a href="#">Lower Heyford Parish Council</a>           |   |  |   |  |
| <a href="#">Merton Parish Council</a>                  | Would like to add to the key questions - how might people be encouraged to become Councillors   | Officers note the response but this is not in the remit of the current Review. This particular query needs to be redirected to Government. | Members note the response and agree with officers comments. | No action required at this time.                                     |
| <a href="#">Middle Aston Parish Meeting</a>            |   |  |   |  |

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| <a href="#">Middleton Stoney Parish Council</a>               | At time of initial letter re review (April 2012), the PC indicated they would like to increase their number of parish councillors from 5 to 7                                      | Officers agree with this proposal for consultation.  | Members agree with this proposal for consultation   | Consult on principle of increasing to 7. |
| <a href="#">Milcombe Parish Council</a>                       |  |  |   |  |
| <a href="#">Milton Parish Meeting</a>                         |  |  |   |  |
| <a href="#">Mixbury Parish Meeting</a>                        |  |  |   |  |
| <a href="#">Mollington Parish Council</a>                     |  |  |   |  |
| <a href="#">Newton Purcell with Shelswell Parish Meeting</a>  |  |  |   |  |
| <a href="#">Noke Parish Meeting</a>                           |  |  |   |  |
| <a href="#">North Aston Parish Meeting</a>                    |  |  |   |  |
| <a href="#">North Newington Parish Council</a>                |  |  |   |  |
| <a href="#">Oddington Parish Meeting</a>                      |  |  |   |  |
| <a href="#">Piddington Parish Council</a>                     | Contacted team in early 2012 to say they wanted to increase their numbers. Were advised by Catherine Phythian of impending review, so should be picked up as part of this process. | Officers agree with this proposal and will consult on increasing from 5 to 7 Councillors   | Members agree with the proposal of consulting on an increase from 5 to 7 Councillors  | Consult on principle of increasing to 7. |
| <a href="#">Prescote Parish Meeting</a>                       | Councillor Atack currently dealing with Parish meeting transferring to Cropredy Parish Council.  | Officers support the action currently being taken, and propose to consult at the relevant time on whether the new Parish should still be called Cropredy, or be renamed Cropredy and Prescote. | Members note the action being taken and agree to consult on the name of the Parish Council at the appropriate time. Since the working group meeting, Councillor Atack has advised that Prescote Parish Meeting wish to continue in their own right. | No action required at this time.         |
| <a href="#">Shenington with Alkerton Parish Council</a>       |  |  |   |  |
| <a href="#">Shipton-on-Cherwell and Thrupp Parish Council</a> |  |  |   |  |
| <a href="#">Shutford Parish Council</a>                       |  |  |   |  |
| <a href="#">Sibford Ferris Parish Council</a>                 |  |  |   |  |
| <a href="#">Sibford Gower Parish Council</a>                  |  |  |   |  |
| <a href="#">Somerton Parish Council</a>                       |  |  |   |  |
| <a href="#">Souldern Parish Council</a>                       |  |  |   |  |
| <a href="#">South Newington Parish Council</a>                |  |  |   |  |
| <a href="#">Steeple Aston Parish Council</a>                  |  |  |   |  |
| <a href="#">Stoke Lyne Parish Council</a>                     |  |  |   |  |
| <a href="#">Stratton Audley Parish Council</a>                | No comments to add to the Review   |  |   |  |
| <a href="#">Swalcliffe Parish Council</a>                     |  |  |   |  |
| <a href="#">Tadmarton Parish Council</a>                      |  |  |   |  |

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| <a href="#">Upper Heyford Parish Council</a>       | At the time of initial letter (April 2012) District Cllr Macnamara raised the issue of the Former RAF base at Upper Heyford and possible separation from the village of Upper Heyford, or at the very least warding. Further response received in January 2013, long term organisation of the Parish is for it to be split into two parishes; Heyford Park to consist of area currently owned and managed by Dorchester Group, the mobile home park to the east of Heyford Park and the housing at Heyford Grange; other parish to consist of the village of Upper Heyford and the remaining rural areas of the current parish and continue to be referred to as Upper Heyford Parish. | Officers feel that at the present time it would be more appropriate to Ward the Parish rather than split it totally. The recommendation for consultation would be two Wards, one with 5 Councillors and the other with 3. | Members agree that Warding would be the best way forward at the present time, and request that the financial implications of splitting the Parish be included in the final report to illustrate the disadvantages to both areas. | Consult on principle of Warding the Parish. |
| <a href="#">Wardington Parish Council</a>          |  |   |  |   |
| <a href="#">Wendlebury Parish Council</a>          |  |   |  |   |
| <a href="#">Weston-on-the-Green Parish Council</a> |  |   |  |   |
| <a href="#">Wigginton Parish Council</a>           |  |   |  |   |
| <a href="#">Wroxton Parish Council</a>             |  |   |  |   |
| <a href="#">Yarnton Parish Council</a>             |  |   |  |   |