

# Meeting of Council

Monday 22 July 2013

Members of Cherwell District Council,

A meeting of Council will be held at Bodicote House, Bodicote, Banbury, OX15 4AA on Monday 22 July 2013 at 6.30 pm, and you are hereby summoned to attend.



**Sue Smith**  
Chief Executive

Friday 12 July 2013

## AGENDA

**1 Apologies for Absence**

**2 Declarations of Interest**

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

**3 Communications**

To receive communications from the Chairman and/or the Leader of the Council.

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

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

#### **5 Urgent Business**

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

#### **6 Minutes of Council (Pages 1 - 14)**

To confirm as a correct record the Minutes of Council held on 15 May 2013.

#### **7 Update on Local Policing by Local Police Area Commander for Cherwell**

The LPA Commander for Cherwell, Superintendent Colin Paine, will be invited to address Council, following which Members will be able to ask questions.

#### **8 Presentation by Local Government Boundary Commission for England**

Max Caller, Chairman of the Commission and Tim Bowden, Review Manager will be invited to address Council, following which Members will be able to ask questions.

#### **9 Minutes**

- a) Minutes of Executive, Lead Member Decisions and Executive Decisions not included in the Forward Plan

The Leader of the Council to formally propose that the minutes of the meetings of the Executive and Lead Member Decisions as set out in the Minute Book (circulated separately) be received and to report that since the February meeting two decisions have been taken by the Executive which were not included in the 28 day Plan.

Bodicote Park – Key and restricted decision  
Bicester Civic Centre – Key decision

- b) Minutes of Committees

The Leader of the Council to formally propose that the minutes of committees as set out in the Minute Book (circulated separately) be received.

#### **10 Questions**

- a) Written Questions

To receive any written questions and answers which have been submitted with advance notice in accordance with the constitution. A written response to the question will be circulated at the meeting.

b) Questions to the Leader of the Council

The Chairman to invite questions to the Leader of the Council (including any matters arising from the minutes).

Following a response to their question being provided members will be entitled to a follow up or supplementary question.

c) Questions to Committee Chairmen on the minutes

The Chairman to invite questions to Chairmen of Committees on any matter arising from the minutes of their committee (if any).

## 11 Motions

To debate any motions which have been submitted with advance notice, in accordance with the constitution.

## Council Business Reports

### 12 Amendments to Committee Memberships

The Conservative Group has been notified that Councillors Mike Kerford-Byrnes and Councillor Tim Hallchurch are no longer able sit on Budget Planning Committee and the Overview and Scrutiny Committee respectively, due to availability for meetings.

The Leader of the Council will notify Council of the new Conservative Group nominees at the meeting

### 13 Accounts, Audit and Risk Committee Annual Report 2012/13 (Pages 15 - 20)

Report of Head of Finance and Procurement

#### Summary

The purpose of this report is to review and approve the annual report of the Accounts, Audit and Risk committee for 2012/13.

#### Recommendations

Council is recommended:

- (1) To note the contents of this report.

**14 Overview and Scrutiny Annual Report 2012/13 (Pages 21 - 36)**

Report of Head of Law and Governance

**Summary**

This report presents the Overview and Scrutiny Annual Report for 2012/13.

**Recommendations**

Council is recommended:

- (1) To note the contents of the Overview and Scrutiny Annual Report 2012/13.

**15 2012/13 Treasury Management Annual Report (Pages 37 - 82)**

Report of Finance and Procurement

**Summary**

This report presents information on treasury management performance and compliance with treasury management policy during 2012/13 as required by the Treasury Management Code of Practice.

**Recommendations**

Council is recommended:

- (1) To note the contents of this report in line with the Treasury Management Strategy.

**16 Standards Committee - Appointment of Independent Person (Pages 83 - 86)**

Report of Head of Law and Governance

**Summary**

To enable Council to appoint a statutory Independent Person pursuant to Section 28 (7) of the Localism Act 2011 following the expiry of the term of office of Dr Sadie Reynolds.

**Recommendations**

Council is recommended:

- (1) To appoint Graham Matthews as statutory Independent Person pursuant to Section 28 (7) of the Localism Act 2011 with a term of office expiring on the date of the Annual Meeting in May 2017.
- (2) To thank Dr Sadie Reynolds for her hard work as an Independent Person since 15 October 2012 and previously as an Independent member of the Standards Committee for the period 2004 - 2012.

## 17 **Community Governance Review 2012** (Pages 87 - 104)

Report of Chief Executive

### **Summary**

To ask Council to consider the recommendations of the Community Governance Review Working Group, and to agree that the Working Group be amended to form a Boundary Review Group in preparation for the district boundary review taking place later this year.

### **Recommendations**

Council is recommended:

- (1) To approve an increase in the number of Parish Councillors for Adderbury Parish Council by one from 11 to 12, a change that will take effect at their next ordinary year of election in 2016.
- (2) To approve the moving of the land shown in red on the appended map 1 from the Parish of Blackthorn into the Parish of Ambrosden, a change that will take effect from the next ordinary year of election for Ambrosden in 2016
- (3) To approve (a) the moving of the land shown red on the appended map 2 into Banbury Town Council area, from the parishes of Drayton, Hanwell and Bodicote, these changes to take place at the time of the next ordinary election for Banbury Town Council in 2016; and (b).the extension of the terms of office for Parish Councillors at Drayton Parish Council and Hanwell Parish Council by two years to bring them into line with the Banbury Town Council election.
- (4) To approve (a) the moving of the land shown red on the appended map 3 into Bicester Town Council area, from the parishes of Bucknell, Caversfield and Chesterton, this change to take place at the time of the next ordinary election for Bicester Town Council in 2015; and (b) the reduction in the terms of office for Parish Councillors at Bucknell Parish Council and Caversfield Parish Council by one year to bring them into line with the Bicester Town Council election.
- (5) To approve an increase in the number of Bicester Town Councillors from 15 to 20. This change will take place at the time of the next ordinary election for Bicester Town Council in 2015.
- (6) To approve an increase in Parish Councillors at Chesterton Parish Council by one from 6 to 7, a change which will take effect at the next ordinary election for the Parish in 2015
- (7) To approve an increase in the number of Parish Councillors for Bloxham Parish Council by one from 11 to 12, to take effect at the next ordinary election of the Parish Council in 2014.

- (8) To approve an increase in the number of Parish Councillors for Middleton Stoney Parish Council by two from 5 to 7, to take effect at the next ordinary election of the Parish Council in 2015.
- (9) To approve an increase in the number of Parish Councillors for Piddington Parish Council by two, from 5 to 7, to take effect at the next ordinary election of the Parish Council in 2016.
- (10) To make no change to Upper Heyford Parish Council at this time, with officers monitoring progress of any major planning applications, community capacity building and reviewing the situation at an appropriate time within the next 5 years
- (11) To delegate authority to the Head of Law and Governance, in consultation with the Electoral Registration Officer and Returning Officer, to complete all necessary actions in respect of the making of Statutory Orders to implement the changes
- (12) To delegate authority to the Head of Law and Governance to request that the Local Government Boundary Commission for England make changes to Ward and Divisional Boundaries to reflect the revised Parish Boundaries
- (13) To change the Community Governance Review Working Group into a Boundary Review Working Group with the terms of reference set out at Appendix 1 (Terms of Reference to be tabled at the meeting following discussions with the Boundary Commission).
- (14) To delegate authority to the Head of Law and Governance, in consultation with group leaders, to appoint two representatives from each political group to the Boundary Review Working Group in anticipation of the District Review taking place later in 2013.

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

The Chairman, will if necessary, move the exclusion of the press and public if members have indicated (under the relevant agenda item) they wish to ask a question on any matter arising from an exempt minute.

In making the decision, members should balance the interests of individuals or the Council itself in having access to the information. In considering their decision members should also be mindful of the advice of Council Officers.

Should members decide not to discuss the issue in public, they are recommended to pass the following recommendation:

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

## **19 Questions on Exempt Minutes**

Members of Council willask questions on exempt minutes, if any.

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

## **Information about this Agenda**

### **Apologies for Absence**

Apologies for absence should be notified to [democracy@cherwellandsouthnorthants.gov.uk](mailto:democracy@cherwellandsouthnorthants.gov.uk) or 01295 221587 prior to the start of the meeting.

### **Declarations of Interest**

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

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

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

### **Evacuation Procedure**

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

### **Access to Meetings**

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

### **Mobile Phones**

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

### **Queries Regarding this Agenda**

Please contact James Doble, Democratic and Elections  
[james.doble@cherwellandsouthnorthants.gov.uk](mailto:james.doble@cherwellandsouthnorthants.gov.uk), 01295 221587

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# Agenda Item 6

## Cherwell District Council

### Council

Minutes of a meeting of the Council held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 15 May 2013 at 6.30 pm

Present: Councillor Lawrie Stratford (Chairman)  
Councillor Kieron Mallon (Vice-Chairman)

Councillor Ken Atack  
Councillor Andrew Beere  
Councillor Maurice Billington  
Councillor Fred Blackwell  
Councillor Norman Bolster  
Councillor Ann Bonner  
Councillor Patrick Cartledge  
Councillor Colin Clarke  
Councillor Margaret Cullip  
Councillor Surinder Dhesi  
Councillor John Donaldson  
Councillor Diana Edwards  
Councillor Tim Emptage  
Councillor Andrew Fulljames  
Councillor Michael Gibbard  
Councillor Timothy Hallchurch MBE  
Councillor Simon Holland  
Councillor Alastair Milne Home  
Councillor David Hughes  
Councillor Russell Hurle  
Councillor Tony Ilott  
Councillor Ray Jelf  
Councillor Mike Kerford-Byrnes  
Councillor James Macnamara  
Councillor Melanie Magee  
Councillor Nicholas Mawer  
Councillor Nigel Morris  
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 Les Sibley  
Councillor Trevor Stevens  
Councillor Rose Stratford  
Councillor Lynda Thirzie Smart  
Councillor Nicholas Turner  
Councillor Douglas Webb

Councillor Douglas Williamson  
Councillor Barry Wood  
Councillor Sean Woodcock

Apologies for absence: Councillor Alyas Ahmed  
Councillor Chris Heath  
Councillor Jon O'Neill

Officers: Sue Smith, Chief Executive  
Calvin Bell, Director of Development  
Ian Davies, Director of Community and Environment  
Kevin Lane, Head of Law and Governance / Monitoring Officer  
Karen Curtin, Head of Finance and Procurement  
James Doble, Democratic and Elections Manager  
Tony Ecclestone, Communications Officer

1 **Declarations of Interest**

There were no declarations of interest.

2 **Communications**

**Councillor Ray Jelf**

The Chairman congratulated Councillor Ray Jelf on his recent election at the Hook Norton By-election and welcomed him to his first meeting.

**Three Peaks Challenge**

The Chairman advised that Councillors Nick Mawer and Dan Sames had joined with a team of soldiers from 23 Pioneer Regiment, Bicester to attempt the three peaks challenge and were raising funds for ABF the soldiers' charity. All donations were welcome.

3 **Urgent Business**

There was no urgent business.

4 **Minutes of Council**

The minutes of the meeting held on 25 February 2013 were agreed as a correct record and signed by the Chairman.

5 **Election of Chairman for the Municipal Year 2013/2014**

(The outgoing Chairman, Councillor Clarke, presided for the consideration of this matter.)

It was moved by Councillor Wood and seconded by Councillor Reynolds, that Councillor Lawrie Stratford be elected as Chairman for 2013/14. There were no there were no other nominations.

**Resolved**

- (1) That Councillor Lawrie Stratford be elected Chairman of the Council for 2013/14.

6 **Investiture of Chairman**

Councillor Lawrie Stratford, having made and signed the required Declaration of Acceptance of Office was invested with the Chairman's Chain and took the Chair,

7 **Chairman's Address**

Councillor Lawrie Stratford thanked members for his appointment and addressed the Council.

8 **Vote of Thanks to Immediate Past Chairman**

The Chairman of the Council presented Councillor Clarke with his past Chairman's badge as a token of his term of office.

Members paid tribute to Councillor Clarke and thanked him for the dedication he had shown representing the Council, the services he had rendered to the District and gracious way he had presided over the deliberations of Council during his year of office.

9 **Past Chairman's Response**

Councillor Clarke addressed Council to report on his term of office. He paid particular thanks to Mrs Jenifer Clarke, his consort for the year and Liz Matthews, the Chairman's PA and presented them with a token of his appreciation.

10 **Election of Vice-Chairman for the Municipal Year 2013/2014**

It was moved by Councillor Wood and seconded by Councillor Reynolds, that Councillor Kieron Mallon be elected as Vice-Chairman for 2013/14. There were no there were no other nominations.

**Resolved**

- (1) That Councillor Kieron Mallon be elected Vice-Chairman of the Council for 2013/14.

11 **Investiture of Vice-Chairman**

Councillor Kieron Mallon, having made and signed the required Declaration of Acceptance of Office was invested with the Vice-Chairman's Chain.

12 **Changes to Overview and Scrutiny Arrangements**

The Head of Law and Governance submitted a report which sought consideration of proposed changes to the Overview and Scrutiny arrangements at Cherwell District Council. It was noted that the proposed changes were based on best practice that had been adopted at South Northamptonshire Council and officers felt would assist with the efficient functioning of scrutiny at Cherwell.

**Resolved**

- (1) That the Overview and Scrutiny arrangements be amended to a single Overview and Scrutiny Committee, with responsibility all for Overview and Scrutiny arrangements as set out in the annex to the minutes (as set out in the minute book).
- (2) That a Budget Planning Committee be created as a committee of council as set out in the annex to the minutes (as set out in the minute book).
- (3) That the formal Resources and Performance Scrutiny Board, Finance Scrutiny Working group (informal) and Performance Scrutiny Working Group (informal) be disbanded.
- (4) That agreement be given that both the Overview and Scrutiny Committee and the Budget Planning Committee should have 12 members each with casual substitution permitted.
- (5) That the Head of Law and Governance be authorised to make consequential amendments to the constitution and revisions to the calendar of meetings in light of the above changes and that the Chairman of the Overview and Scrutiny Committee continue to receive the allowance for the Chairman of the Overview and Scrutiny Committee and the Chairman of the Budget Planning Committee receive the allowance as determined for the Chairman of the former Resources and Performance Scrutiny Board.

## **Annual Council Business Report**

The Chief Executive submitted a report which presented the results of the 2 May 2013 district by-election, the constitution of Political Groups, the appointment of the Deputy Leader and Executive for the Municipal Year 2013/14 and sought agreement to the suggested constitution of Committees for the Municipal year 2013/2014. The report also sought nominations for representatives to the County Council Health Overview and Scrutiny Committee and Police and Crime Commissioner Scrutiny Panel.

The Chief Executive reported that there were district elections in 16 seats and Councillors were returned as follows:

Hook Norton – Councillor Ray Jelf

The Chief Executive reported that the constitution of the Council and political groups was now 41 Conservatives, 5 Labour, 3 Liberal Democrats and 1 Independent.

The Group Leaders were: Councillor Barry Wood, Leader of the Conservative Group and Leader of the Council; Councillor Sean Woodcock, Leader of the Labour Group and Leader of the Opposition and Councillor Tim Emptage, Leader of the Liberal Democrat Group.

The Leader of the Council reported that for the Municipal Year 2013/14 he had reappointed Councillor Reynolds as Deputy Leader of the Council.

For the Municipal Year 2013/14, the Executive would comprise:

Councillor Barry Wood – Leader of the Council  
Councillor George Reynolds – Deputy Leader of the Council  
Councillor Nigel Morris - Lead Member for Clean and Green  
Councillor Ken Atack - Lead Member for Financial Management  
Councillor Nigel Turner - Lead Member for Performance and Customers  
Councillor John Donaldson - Lead Member for Banbury Brighter Futures  
Councillor Tony Ilott - Lead Member for Public Protections  
Councillor Michael Gibbard – Lead Member for Planning  
Councillor Norman Bolster – Lead Member for Estates and the Economy  
Councillor Debbie Pickford – Lead Member for Housing

### **Resolved**

- (1) That the results of the District By-election held on 2 May 2013 be noted.
- (2) That the constitution of Political Groups and notification of Group Leaders: Conservative Group – Councillor Barry Wood; Labour Group – Councillor Sean Woodcock; Liberal Democrat Group – Councillor Tim Emptage, be noted.
- (3) That the appointment of Councillor George Reynolds as Deputy Leader of the Council and the membership of the Executive and the Executive Portfolios for 2013/14 be noted.

- (4) That the allocation of seats on committees that were subject to the political balance requirements be agreed as set out below:

**Allocation of Seats to Proportional Committees**

	<b>TOTAL</b>	<b>CON</b>	<b>LAB</b>	<b>LD</b>
Overview & Scrutiny	<b>12</b>	<b>10</b>	<b>1</b>	<b>1</b>
Budget Planning Committee	<b>12</b>	<b>10</b>	<b>1</b>	<b>1</b>
Planning Committee	<b>18</b>	<b>15</b>	<b>2</b>	<b>1</b>
Personnel Committee	<b>12</b>	<b>10</b>	<b>1</b>	<b>1</b>
Licensing Committee	<b>12</b>	<b>10</b>	<b>1</b>	<b>1</b>
Appeals Panel	<b>10</b>	<b>8</b>	<b>1</b>	<b>1</b>
Accounts, Audit & Risk Committee	<b>8</b>	<b>7</b>	<b>1</b>	<b>0</b>
Joint Personnel Committee	<b>5</b>	<b>4</b>	<b>1</b>	<b>0</b>
Joint Appeals Panel	<b>3</b>	<b>2</b>	<b>1</b>	<b>0</b>
Standards Committee	<b>8</b>	<b>7</b>	<b>1</b>	<b>0</b>
<b>Proportional Total by Committee</b>	<b>100</b>	<b>83</b>	<b>11</b>	<b>6</b>
<b>Aggregate Entitlement</b>	<b>100</b>	<b>82*</b>	<b>10*</b>	<b>6*</b>
<b>Adjustment Required</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

\* Under the political balance regulations in the Local Government and Housing Act 1989, allocations are made to political groups, any member not in a political group is consequently not automatically entitled to seats on committees. Therefore in below all group percentage allocations have been rounded up.

The figures below marked by an asterisk take account of this adjustment.

- (5) That the allocation of seats on committees not subject to political balance requirements be agreed as set out below:

**Allocation of Seats to Non-Proportional Committees**

	<b>TOTAL</b>	<b>CON</b>	<b>LAB</b>	<b>LD</b>
Council and Employee Joint	<b>12</b>	<b>10</b>	<b>1</b>	<b>1</b>
Joint Arrangements Steering Group	<b>5</b>	<b>4</b>	<b>1</b>	<b>0</b>

- (6) That members (and where appropriate, substitute members) be appointed to serve on each of the committees and other bodies as set out below in accordance with the nominations to be made by political groups:

**Membership of Committees 2013/14**

**Overview and Scrutiny Committee**

**Membership (12 members)**

<b>Conservative (10)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (1)</b>
Cllr Ahmed Alyas	Cllr Sean Woodcock	Cllr Douglas Williamson
Cllr Ann Bonner		
Cllr Tim Hallchurch		
Cllr Magee Melanie		
Cllr Alistair Milne Home		
Cllr Jon O'Neil		
Cllr Lynn Pratt		
Cllr Nigel Randall		
Cllr Dan Sames		
Cllr Lawrie Stratford		

**Budget Planning Committee**

**Membership (12 members)**

<b>Conservative (9)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (1)</b>
Cllr Ken Atack	Cllr Andy Beere	Cllr Tim Emptage
Cllr Maurice Billington		
Cllr Margaret Cullip		
Cllr Russell Hurle		

Cllr Mike Keford-Byrnes		
Cllr Nick Mawer		
Cllr Neil Prestidge		
Cllr Lawrie Stratford		
Cllr Douglas Webb		
Cllr Barry Wood		

## Planning Committee

### Membership (18 members, 12 named substitutes)

<b>Conservative (15)</b>	<b>Labour (2)</b>	<b>Liberal Democrats (1)</b>
Cllr Ken Atack	Councillor Andy Beere	Councillor Tim Emptage
Cllr Fred Blackwell	Councillor Gordon Ross	
Cllr Colin Clarke		
Cllr Michael Gibbard		
Cllr Chris Heath		
Cllr David Hughes		
Cllr Russell Hurle		
Cllr Mike Kerford-Byrnes		
Cllr James Macnamara		
Cllr Alastair Milne Home		
Cllr Debbie Pickford		
Cllr George Reynolds		
Cllr Trevor Stevens		
Cllr Lawrie Stratford		
Cllr Rose Stratford		

### Substitutes

<b>Conservative (10)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (1)</b>
Cllr Diana Edwards	Cllr Sean Woodcock	Cllr Douglas Williamson
Cllr Andrew Fulljames		
Cllr Simon Holland		
Cllr Kieron Mallon		
Cllr Jon O'Neill		
Cllr Paul O'Sullivan		
Cllr Lynn Pratt		



Cllr Nigel Randall		
Cllr Nicholas Turner		
Cllr Barry Wood		

## Personnel Committee

**Membership (12 members, unnamed substitutes who shall not be members of the Appeals Panel)**

<b>Conservative (10)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (1)</b>
Cllr Ken Attack	Cllr Patrick Cartledge	Cllr Alaric Rose
Cllr Norman Bolster		
Cllr Ann Bonor		
Cllr Lynn Pratt		
Cllr Melanie Magee		
Cllr George Reynolds		
Cllr Lynda Thizie Smart		
Cllr Lawrie Stratford		
Cllr Rose Stratford		
Cllr Barry Wood		

## Licensing Committee

**Membership (12 seats and 5 substitutes based on proportional representation with each represented party having at least 1 substitute)**

<b>Conservative (10)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (1)</b>
Cllr Fred Blackwell	Cllr Gordon Ross	Cllr Alaric Rose
Cllr Colin Clark		
Cllr Diana Edwards		
Cllr Michael Gibbard		
Cllr Tony Ilott		
Cllr Ray Jelf		
Cllr Kieron Mallon		
Cllr Paul O'Sullivan		
Cllr George Reynolds		
Cllr Douglas Webb,		

### Substitutes

<b>Conservative (3)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (1)</b>
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Cllr Debbie Pickford	Cllr Andy Beere	Cllr Tim Emptage
Cllr Lawrie Stratford		
Cllr Rose Stratford		

## Appeals Panel

**Membership (10 members with no substitutes)**

<b>Conservative (8)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (1)</b>
Cllr Fred Blackwell	Cllr Gordon Ross	Cllr Tim Emptage
Cllr Diana Edwards		
Cllr Tim Hallchurch		
Cllr Simon Holland		
Cllr Tony Ilott		
Cllr Ray Jelf		
Cllr Paul O'Sullivan		
Cllr Douglas Webb		

## Accounts, Audit and Risk Committee

**Membership (8 members with unnamed substitutes)**

<b>Conservative (7)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (0)</b>
Cllr Mike Kerford-Byrnes	Cllr Andy Beere	
Cllr Ray Jelf		
Cllr Nick Mawer		
Cllr Trevor Stevens		
Cllr Lawrie Stratford		
Cllr Rose Stratford		
Cllr Barry Wood		

## Joint Personnel Committee

**Membership (5 members, 3 named substitutes)**

<b>Conservative (4)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (0)</b>
Cllr Ken Atack	Cllr Surinder Dhesi	
Cllr Lynn Pratt		
Cllr George Reynolds		
Cllr Barry Wood		

**Substitutes**

<b>Conservative (2)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (0)</b>
Cllr Norman Bolster	Cllr Gordon Ross	
Cllr Lawrie Stratford		

**Joint Appeals Panel**

**Membership (3 seats, 2 named substitutes)**

<b>Conservative (2)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (0)</b>
Cllr Fred Blackwell	Cllr Patrick Cartledge	
Cllr James Macnamara		

**Substitutes**

<b>Conservative (1)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (0)</b>
Cllr Colin Clarke	Cllr Andy Beere	

**Standards Committee**

**Membership (8 members, 8 substitute members)**

<b>Conservative (6)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (0)</b>
Cllr Fred Blackwell	Cllr Andy Beere	
Cllr Tim Hallchurch		
Cllr Chris Heath		
Cllr James MacNamara		
Cllr Paul O'Sullivan		
Cllr Nigel Randall		
Cllr Rose Stratford		

**Substitutes**

<b>Conservative (6)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (0)</b>
Cllr Ken Atack	Cllr Patrick Cartledge	
Cllr Colin Clark		
Cllr Margaret Cullip		
Cllr Diana Edwards		
Cllr Russell Hurle		
Cllr Jon O'Neil		
Cllr Lawrie Stratford		

## Council and Employee Joint Committee

### Membership (12 seats)

<b>Conservative (10)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (1)</b>
Cllr Colin Clark	Cllr Patrick Cartledge	Cllr Alaric Rose
Cllr Margaret Cullip		
Cllr Russell Hurle		
Cllr Tony Ilott		
Cllr Melanie Magee		
Cllr Kieron Mallon		
Cllr Nick Mawer		
Cllr Lynn Pratt		
Cllr Nigel Randle		
Cllr Barry Wood		

## Joint Arrangements Steering Group

### Membership (5 members, 3 substitutes)

<b>Conservative (4)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (0)</b>
Cllr Ken Atack	Cllr Sean Woodcock	
Cllr Nigel Morris		
Cllr Nicholas Turner		
Cllr Barry Wood		

### Substitutes

<b>Conservative (2)</b>	<b>Labour (1)</b>	<b>Liberal Democrats (0)</b>
Cllr Norman Bolster	Cllr Gordon Ross	
Cllr Michael Gibbard		

- (7) That Councillor Rose Stratford be appointed as Cherwell District Council's representative to the Oxfordshire County Council Health Overview and Scrutiny Committee.
- (8) That Councillor George Reynolds be appointed Cherwell District Council's representative to the Thames Valley Police and Crime Commissioner Scrutiny Panel.

14 **Shared Services - Environmental Services, Human Resources and Legal Services**

The Director of Resources submitted a report to propose that the principle of a shared Environmental Services team, a shared Human Resources team, a shared Legal team and collaborative working arrangements with both South Northamptonshire Council and Stratford-on-Avon District Council pursuant to the Local Authorities (Goods and Services) Act 1970 be adopted as part of Cherwell District Council's policy framework.

**Resolved**

- (1) That the principles of shared working proposals for Environmental Services, Human Resources and Legal Services be adopted as part of the Council's policy framework.
- (2) That the general principle of mutual collaborative working with South Northamptonshire Council and Stratford-on-Avon District Council be adopted as part of the Council's policy framework.

The meeting ended at 7.08 pm

Chairman:

Date:

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## Council

### Accounts, Audit and Risk Committee Annual Report 2012/13

22<sup>nd</sup> July 2013

### Report of Head of Finance and Procurement

#### PURPOSE OF REPORT

The purpose of this report is to review and approve the annual report of the Accounts, Audit and Risk committee for 2012/13.

This report is public
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#### Recommendations

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Council is recommended:

- (1) To note the contents of this report.

#### Summary

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- 1.1 The Accounts, Audit and Risk Committee (AARC) is required by the Constitution to make an annual report to the Council.
- 1.2 The AARC Committee has undertaken detailed reviews of the matters for which it has responsibility, raising numerous questions and seeking assurances of the Council officers and representatives of Internal and External Audit.
- 1.3 The report highlights the key issues that were considered by the Committee over the last twelve months.

#### Implications

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<b>Financial:</b>	There are no financial issues arising from this report.  Comments checked by Nicola Jackson, Corporate Finance Manager, 01295 221731.
<b>Legal:</b>	There are no legal issues arising from this report.  Comments checked by Kevin Lane, Head of Law & Governance, 0300 0030 107.
<b>Risk Management:</b>	The appropriate risk register entries highlighted by the Committee during the year have been added and will be monitored.  Comments checked by Nicola Jackson, Corporate Finance Manager, 01295 221731

## Wards Affected

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All wards are affected.

## Document Information

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<b>Appendix No</b>	<b>Title</b>
Appendix 1	Annual Report
<b>Background Papers</b>	
All AARC Agendas and Supporting Reports	
<b>Report Author</b>	Karen Curtin, Head of Finance & Procurement
<b>Contact Information</b>	01295 221551 Karen.Curtin@Cherwellandsouthnorthants.gov.uk



## Accounts, Audit and Risk Committee Annual Report 2012-13

### 1. Purpose of Report

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- 1.1 The Accounts, Audit and Risk Committee is required by the Constitution to make an annual report to the Council. The Committee agreed that as well as being best practice, this would be a useful tool to document and communicate the AARC achievements.
- 1.2 The Head of Finance and Procurement has prepared the Annual Report to be considered at the next appropriate meeting of Full Council.

### 2. Role of the Committee

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2.1 The Accounts Audit and Risk Committee is a regulatory Committee. The purpose of the committee is to oversee the financial processes of the Council; the Audit Commission recommended that all local authorities establish a committee of this nature.

2.2 The Accounts, Audit and Risk Committee (AARC) operates in accordance with the "Audit Committees, Practical Guidance for Local Authorities" produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) in 2006. The Guidance defines the purpose of an Audit Committee as follows:

"To provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process."

2.3 The Council's Accounts, Audit and Risk Committee has an ongoing role in ensuring a responsive and effective internal audit function and the effective management of the Council's risks and provides 'robust challenge' to the internal control and other governance arrangements of the Council.

2.4 The terms of reference of the AARC are defined within the Council's Constitution; the relevant extract is below;

- Ensuring that the Council's corporate governance arrangements are adequate and operating effectively in practice
- Considering the Council's Code of Corporate Governance and the Annual Governance Statement before approval by the Executive
- Monitoring the effectiveness of the Council's risk management procedures, the internal control environment and counter fraud and corruption arrangements and report any concerns to the Executive
- Endorse the annual Risk Management Strategy and recommend it to the Executive for adoption
- Approval of the Council's Statement of Account
- Considering any reports of internal or external auditors and agreeing the action to be taken from those reports including any recommendations to the Council
- To consider and make recommendations on the internal audit plan

- To consider a report on the effectiveness of the internal audit system at least annually
- To consider risks associated with significant partnerships entered into by the Council and to receive reports on the management of those risks
- To receive the External Auditor's annual audit letter and make recommendations arising from it
- To produce an annual report to Council on the activities of the committee.

### **3. Membership**

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3.2 The Audit Committee comprises of eight elected members representing all political parties:

- Councilor Trevor Stevens (Chairman)
- Councilor Mike Kerford-Brynes (Vice-Chairman)
- Councilor Andrew Beere
- Councilor Colin Clarke
- Councilor Andrew Fulljames
- Councilor Lawrie Stratford
- Councilor Rose Stratford
- Councilor Barry Wood

3.3 Having the right skills, knowledge and experience are key attributes for members of an audit committee to have in order for this key assurance function to be effective.

3.4 Specifically members should have the ability to question, probe and seek clarification about complex issues, and should have experience in some of the core functions of the Committee; financial awareness is essential, but a broad understanding of the financial, risk and control, and governance issues facing local authorities and the Council specifically is more important than having an accounting background or professional qualification.

#### **Other Members**

3.5 The Committee was also grateful for the attendance and contribution of the Portfolio Holder of Resources – Councilor Ken Atack.

#### **Officers**

3.6 The Committee continues to be well supported by Officers, providing reports either in accordance with the Committee's work programme, or at the request of the Committee.

3.7 During the year the following officers attended meetings;

- Martin Henry – 151 Officer
- Karen Curtin – Head of Finance and Procurement
- Nicola Jackson – Corporate Finance Manager
- Denise Taylor – Corporate Finance Accountant
- Claire Taylor - Corporate Performance Manager
- Jeff Brawley – Investigations Manager
- Gavin Lane - Democratic and Elections Officer
- Chris Dickens – Chief Internal Auditor (PwC)

## **External Audit**

- 3.8 Our External Auditors (initially the Audit Commission and then Ernst Young from November 2012), routinely attend all the Committee meetings making a welcome contribution to governance processes within the Council and the development of committee members.

## **4. Work Programme**

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- 4.1 The Committee reviewed a number of items in the course of the year in order to assure itself of the adequacy of the Council's internal control arrangements.

### Key Assurances Gained:

- 4.2 The Audit Committee can confirm that:

- the system of risk management in the Council is adequate in identifying risks and in allowing the authority to understand the appropriate management of those risks,
- there are no areas of significant duplication or omission in the systems of governance in the authority that have come to the Committee's attention and not been adequately resolved,

### Review of Internal Control Systems

- 4.3 The Committee reviewed a number of items in the course of the year in order to assure itself of the adequacy of the Council's internal control arrangements. These included:

- External Audit Annual Audit Letter 2011-12
- Internal Audit Annual Report for 2011-12
- Internal Audit Reports with High Rating Recommendations and a summary of the results of follow up of work
- Corporate Risk Register
- Treasury Management updates 2012-13 Strategy 2013-14
- Risk Management Quarterly Reviews 2012-13 and Review of Strategy 2013-14
- Fraud Updates
- Internal Audit Compliance Checklist.

### External Audit Annual Audit Letter 2011-12

- 4.4 The Annual Audit Letter 2011-12 from the Audit Commission: gave an unqualified opinion of the Council's 2011-12 financial statements on 28 September 2012; concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources; and certified completion of the audit.

### Internal Audit Annual Report for 2012-13

- 4.5 This report was directly linked to the core functions of the Committee and one of the Audit Committee's Terms of Reference was to "consider the annual report of the internal audit service and to consider a summary of actual and proposed

internal audit activity and the levels of assurance it could give over the Council's corporate governance arrangements.”

- 4.6 The report was received annually from the Internal Audit Manager and a draft was provided to the Audit Committee for information on 27 March 2013. The final version will be presented on 26 June 2013.
- 4.7 In terms of the Authority's risk management framework, Internal Audit provided a satisfactory assurance rating, stating that our processes are sufficiently formalised and provide information on key risks and issues relating to the individual services and the Authority as a whole. They have raised recommendations to further enhance and embed risk management processes.

#### Internal Audit and External Audit Work Programmes for 2012-13

- 4.8 The Audit Committee reviewed the scope and depth of external and internal audit work to ensure that it gives the Council good value for money. The progress against the work plans were monitored at every Audit Committee meeting through the year and no problems were identified.

#### Financial Statement & Annual Governance Statement Approval

- 4.9 Comprehensive review of statements - the Committee members met with the Head of Finance & Procurement and finance officers to undertake a comprehensive review of the financial statements and Annual Governance Statement one week prior to adoption at the committee meeting, this resulted in a thorough understanding of the key statements and identification of some small amendments to the accounts.
- 4.10 Approval of the draft set of accounts – the Committee approved the draft statement of accounts, enabling the External Auditors to start their statutory audit of the Statement of Accounts.

#### Risk Management

- 4.11 The committee owns and regularly monitors the risk register as part of its terms of reference and recommends amendments where appropriate. Updates of the risk register are presented at meetings as a standard agenda item.

### **5. Conclusion**

- 5.1 For the year 2012-13 the Accounts Audit and Risk Committee have provided assurance that the Council's internal control environment and risk management framework are adequate.

#### **Document Information**

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<b>Report Author</b>	Karen Curtin, Head of Finance and Procurement
<b>Contact Information</b>	<a href="mailto:Karen.Curtin@Cherwellandsouthnorthants.gov.uk">Karen.Curtin@Cherwellandsouthnorthants.gov.uk</a>

## Council

### Overview and Scrutiny Annual Report 2012/13

22 July 2013

### Report of Head of Law and Governance

#### PURPOSE OF REPORT

This report presents the Overview and Scrutiny Annual Report for 2012/13.

This report is public

#### Recommendations

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Council is recommended:

- (1) To note the contents of the Overview and Scrutiny Annual Report 2012/13.

#### Executive Summary

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##### Introduction

- 1.1 The Overview and Scrutiny Annual Report 2012/13 is attached at Appendix 1.
- 1.2 The Annual Report contains information relating to the work of the Overview and Scrutiny Committee, the former Resources and Performance Scrutiny Board and various other scrutiny activities during 2012/13.

##### Proposals

- 1.3 The Overview and Scrutiny Committee has a constitutional obligation “to produce a unified annual report for the whole scrutiny process” and present it to Council.
- 1.4 The Annual Report 2012/13 was approved by the Overview and Scrutiny Committee on 2 July 2013.

##### Conclusion

- 1.5 Council is invited to note the content of the Overview and Scrutiny Annual Report 2012/13.

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

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- 1.1 The Overview and Scrutiny Committee has a constitutional obligation “to produce a unified annual report for the whole scrutiny process” and present it to Council.

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

**Option One** To agree the recommendations as set out in the report.

**Option Two** Not to agree the recommendations.

## **Consultations**

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**Overview and Scrutiny Committee** No comments

## **Implications**

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**Financial:** There are no financial implications arising from this report.  
Comments checked by Sarah Best, Service Accountant 01295 221736

**Legal:** There are no legal implications arising from this report.  
Comments checked by James Doble, Democratic, and Elections Manager 01295 221587

**Risk Management:** Failure by Council to consider an annual report from the Overview and Scrutiny Committee would be a breach of the Constitution.  
Comments checked by James Doble, Democratic, and Elections Manager 01295 221587

## **Wards Affected**

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All

## **Document Information**

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<b>Appendix No</b>	<b>Title</b>
Appendix 1	Overview and Scrutiny Annual Report 2012/13
<b>Background Papers</b>	
None	
<b>Report Author</b>	Dave Parry, Democratic and Elections Officer - Democratic and Elections
<b>Contact Information</b>	01327 322365 dave.parry@cherwellandsouthnorthants.gov.uk



# **Overview and Scrutiny Annual Report 2012/13**

**June 2013**

## Foreword

This annual report for overview and scrutiny at Cherwell District Council outlines the work of the Overview and Scrutiny Committee and the Resources and Performance Scrutiny Board in 2012/13.

We have continued to build on the work that has been done over the last few years and we have sought to minimise the turnover of committee membership in order to develop an experienced group of councillors who are building up a strong skill base and understanding of the principles of good scrutiny and at the same time a knowledge of scrutiny case history.

This year, overview and scrutiny work has attempted to be as much about policy development as it has been about reviewing what has already taken place. In the main this has been successful with many recommendations being made to the Executive that have subsequently been acted upon.

With the decision in May 2013 of Council to review the scrutiny arrangements and create a single Overview and Scrutiny Committee, with responsibility for all overview and scrutiny activity, it is hoped that, over the coming year, the new Overview and Scrutiny Committee will continue the work done to-date, ensure relevant topics are reviewed and challenged, thus providing checks and balances as well as supporting the Executive in decision making.

We firmly believe that overview and scrutiny continues to make a valuable contribution to the continuing success of this Council.

**Councillor Ann Bonner**  
**Chairman,**  
**Overview and Scrutiny Committee**  
**2012/13**

**Councillor Nick Mawer**  
**Chairman,**  
**Resources and Performance Scrutiny Board**  
**2012/13**



## Overview & Scrutiny Committee

### Membership

Councillor Ann Bonner (Ch)  
Councillor Colin Clarke  
Councillor Chris Heath  
Councillor Kieron Mallon  
Councillor Jon O'Neill  
Councillor Les Sibley

Councillor Daniel Sames (V Ch)  
Councillor Tim Emptage  
Councillor Melanie Magee  
Councillor Alastair Milne Home  
Councillor Nigel Randall  
Councillor Lawrie Stratford

### Eco Bicester: A Garden City of the Future

In July 2012 the Committee considered a proposal to identify Eco Bicester as a next generation Garden City.

Originally identified as an Eco Town location in 2009, North West Bicester had benefited from work to provide highly sustainable new developments. However, new Government guidance now referred to 8 Garden City principles, and it had therefore been agreed by the Council and the Eco Bicester Strategic Delivery Board to explore the opportunity of securing Government monies through identifying Eco Bicester as a next generation Garden City. This proposal was supported by the Committee, albeit caution was urged to ensure public expectations were not unduly raised.

*Contribution to Corporate Priorities: A Cleaner Greener Cherwell – ‘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.’*

### RAF Bicester

In September 2012 the Committee received a presentation on a decision to investigate the potential for securing the RAF Bicester site for heritage purposes through a partnership with Bomber Command Heritage (BCH). It was noted that there was no intention for the Council to acquire the site, but rather support would be given through the provision of professional and strategic advice and any financial support would be within existing budgets. In any event, the Council was able to exercise considerable control and influence over any future development through the Bicester Master Plan and Planning Policy Guidelines. There were no circumstances where the Council, through its Planning obligations, would have to take responsibility for the site and its liabilities.

In April 2013 the Committee was advised that the site had been acquired by Bicester Heritage, which planned to establish a national vintage motoring and aviation facility on the technical site.

*Contribution to Corporate Priorities: A District of Opportunity – ‘Balance economic development and housing growth.’*

### **Banbury Brighter Futures**

The Committee noted the progress being made against the six theme areas of the Banbury Brighter Futures project, despite the challenges posed by multi-member partnership working, when each of those partners faced budget and resource pressures. To ensure no loss of momentum, Theme Leaders met every other month and, in addition, action could be taken in between these meetings to address rapidly changing situations and circumstances.

Particular regard was given to the unemployment situation in the three Wards covered by the Programme. Whilst these showed the highest rate in the District, the figures remained comparable with the national average. It was nevertheless agreed that future reports should contain more comparative information in order to allow for the better identification of those areas where efforts and resources might be concentrated.

*Contribution to Corporate Priorities: A District of Opportunity – ‘Deliver the Brighter Futures in Banbury programme.’*

### **Health Sector Reforms and Emerging New Local Arrangements**

The Committee reviewed the wide ranging changes occurring in the local health sector and, noting the complexities involved, identified that District level Members would only have a limited opportunity to exert influence (each of the proposed four new Boards would have just one appointee representing all District Authorities in Oxfordshire). In this respect, it was concluded that communicating the changes to the public and helping them identify who would be delivering services would be a major challenge.

*Contribution to Corporate Priorities: A Safe, Healthy and Thriving Community – ‘Support improvement of local health facilities, services and standards across the district.’*

### **National Benefit Changes**

In September the Committee received a presentation on the introduction, from April 2013, of wide-ranging National Benefit reforms including:

- A Benefit Cap
- Size Criteria for Social Housing
- Disability Living Allowance
- Introduction of Universal Credit
- Local administration of Social Fund by County Council

It was clear that, collectively, these changes would have significant implications for the Council and its customers. With respect to the new arrangements for those customers in receipt of Housing Benefit (currently paid directly to the landlord by the Council), not only would they find the level of benefit capped, but the monies were to be received direct, and they would be personally responsible for paying their rent. It was widely thought this would prove unpopular with landlords, and was likely to result in a decrease in property available for rent, with a subsequent increase in homelessness and Discretionary Housing Payments. There was also likely to be an increase in customer contact as the introduction of Universal Credit impacted on customers. The Committee noted that a report had been submitted to the Executive in July, and was pleased to learn that the Council was looking to work closely with partners, adopt a proactive communications strategy for both claimants and landlords, and review the implications for the budgets in respect of

Discretionary Housing Payments, temporary accommodation, Housing and Customers services, service assurance and the Capita contract.,

The Committee also identified that there were likely to be significant implications for other service providers, particularly the Citizens Advice Bureau, and it was agreed that Councillors should be advised of the number of properties in their Wards where there were residents who would be affected. It was, however, acknowledged that the changes were being introduced not only with a view to reducing the overall welfare budget, but also to move people away from a dependency on benefits and encourage them into work. In this respect the Council must continue in its efforts to create a business friendly District of opportunity.

In April, 2013 the Committee received a further presentation on the latest position on the changes in respect of:

- Size Criteria for Social Housing.
- Replacement of Council Tax Benefit.
- Localisation of Social Fund.
- Personal Independence Payments.
- Benefit Cap.
- Universal Credit.
- Universal Credit – Local Delivery.
- Impact of Welfare Reforms on Cherwell.
- Discretionary Housing Payments
- Welfare Reform at Cherwell District Council

The Committee noted and welcomed both the proactive approach adopted and the flexibility shown as changes were introduced by the Government at short notice. Identifying that communication was key to the successful introduction of the various changes, it was also recommended to the Lead Member for Financial Management that, as a Spend to Save scheme, consideration be given to the introduction of a Welfare Reform Team, with a remit to give advice and assistance to customers applying for or encountering issues with Universal Credit.

*Contribution to Corporate Priorities: An Accessible Value for Money Council – ‘Develop and implement an effective approach to address the financial impact of Government welfare reform’*

### **Air Quality in the District**

In October 2012 the Committee reviewed the processes involved in monitoring Air Quality across the District, noting the declaration of an Air Quality Management Area in respect of Hennef Way, Banbury, and three detailed assessments currently in progress in respect of:

- Oxford Road to Southam Road, Banbury.
- Kings End to Field Street, Bicester.
- Bicester Road, Kidlington.

The Committee identified a number of issues, particularly with regard to enabling Members to report areas of concern, and the matter was retained on the Work Programme for a further presentation.

*Contribution to Corporate Priorities: A Safe, Healthy and Thriving Community – ‘Work with partners and businesses to support public health, safety and environmental protection.’*

### **Planning and Building Control Enforcement**

In October 2012 the Committee reviewed a decision to temporarily increase the resources of the enforcement function for a two year period. Funded from the Planning Reserve fund and notwithstanding current budget pressures and planning enforcement being a discretionary service, it had been felt that the need to correct planning errors and strengthen the Council’s reputation as Local Planning authority was imperative. The Committee endorsed this view, concluding that the effective implementation of planning regulations and policy played a key role in ensuring the creation of a business friendly District of opportunity.

*Contribution to Corporate Priorities: An Accessible Value for Money Council – ‘Maintain high rates of customer satisfaction with our services.’*

### **Update on Empty Homes**

In January 2012 the Committee had considered the issue of Empty Homes, and agreed four principles should form the basis for the Council’s approach:

1. The Council wants empty homes to be used.
2. The Council will encourage and facilitate their re-use (e.g. by providing advice, grants and loans).
3. The Council will take action to resolve specific issues caused by empty homes (where powers permit).
4. The Council will take action to secure re-use of empty homes where a business case exists.

In March 2013 the Committee reviewed progress, and noted that efforts had been concentrated on 50 properties that had been empty for at least 2 years in those areas of the District in greatest need (Banbury, Bicester and Kidlington). Although 24 of these properties had been found to be occupied (with Council Tax being informed accordingly), 3 had been returned to use, and formal Notices of Entry had been used to gain access to a further 2 properties. In total, it was anticipated that 10 properties from the initial list would be returned to use. Refinements to the system of data gathering from the Council Tax system would speed up the process when taking action on the next 50 properties identified for action. It was also noted that the Council would benefit from New Homes Bonus income over the next 2/3 years as a result of HCA Empty Homes grant funding securing the release of some 250 properties for lease. The Committee had welcomed the progress made to date, although suggested greater effort should be made to highlight the availability of the Council’s Empty Homes Loan, and Loan-to-Lease schemes. The issue would be re-visited in 12 months’ time.

*Contribution to Corporate Priorities: A District of Opportunity – ‘Support vulnerable residents through focusing on homelessness prevention and housing advice at current levels of performance.’ ‘Deliver 100 affordable homes in the district.’*

## **Housing Strategy**

In March 2013 the Committee reviewed the Housing Strategy Annual Delivery Plan. A five year programme, it identified six priorities:

1. Increasing the supply and access to housing.
2. Developing financially and socially sustainable communities.
3. Housing for our most vulnerable residents.
4. Ensuring Homes are safe, warm and well managed.
5. Preventing homelessness.
6. Maximising resources – Investment Ready District.

The Committee noted on-going work to deliver the Plan, particularly with respect to research into equity loan products, a review of the Rural Housing Partnership, sustainable housing (Low Carbon Housing), housing for the most vulnerable, and the introduction across the District of the 'Green Deal'. The Governments changes to the welfare system would present a challenge to preventing homelessness, but the Council had already undertaken a lot of work with the CAB and other partners, which would be key to successful delivery. It was also noted that, with regard to priority 3, the Delivery Plan should put more pressure on developers to build properties once they obtained planning consent.

*Contribution to Corporate Priorities: A District of Opportunity – 'Support vulnerable residents through focusing on homelessness prevention and housing advice at current levels of performance.' 'Deliver x new homes including through planned major housing projects.' 'Deliver 100 affordable homes in the district.'*

## **Business Planning and Service Plan Process - Enforcement Service Plan**

In March 2013 the Committee received an overview of the Business Planning and Service Plan process. The process comprised five key elements: The Sustainable Community Strategy; The Business Plan; the Medium Term Financial Strategy; service plans; and Performance Appraisal.

The elements were variously delivered through the Executive, Scrutiny, Joint Management Team, and then Directorate Managements teams, Team Plans and Appraisals. The process was a year-on-year evolving one, and informed from several sources, including

- Previous commitments (e.g. big capital projects);
- Budget constraints;
- Customer feedback;
- New policy/legal requirement;
- Member Priorities;
- Performance improvement;
- Key Local strategies;
- Major projects and programmes.

The Committee agreed that there should be greater Member involvement in the process during the autumn of 2013, when the Committee would first give consideration to each specific service plan, and then identify one for detailed scrutiny.

Consideration was also given to the outcomes from an Enforcement Service Plan Member Briefing held on 17 January. Members agreed that the Planning and Building Control enforcement service should be reviewed in order to gauge the impact of the recent increase in resources.

*Contribution to Corporate Priorities: An Accessible Value for Money Council – ‘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.’*

## **Resources & Performance Scrutiny Board**

### **Membership**

Councillor Nick Mawer (Ch)  
Councillor Alyas Ahmed  
Councillor Patrick Cartledge  
Councillor Jon O’Neil  
Councillor Nigel Randall  
Councillor Douglas Williamson

Councillor Douglas Webb (V Ch)  
Councillor Maurice Billington  
Councillor Margaret Cullip  
Councillor Neil Prestidge  
Councillor Lawrie Stratford  
Councillor Sean Woodcock

### **Chairman of the Council’s Allowance**

At the request of the council, the Board had undertaken a review of a proposal to pay an allowance to the Chairman of the Council. The Democratic and Elections Manager had advised the Board on the current arrangements, and that the proposed allowance would cover the ceremonial elements of the role.

The Board had sought and considered feedback from the previous five Chairmen regarding expenses claimed, out of pocket expenses, and their general comments. Comparison information was also considered from neighbouring authorities regarding what their Chairman’s Allowance covered and what other civic budgets they had.

The Board was of the view that the position of Chairman of the Council was one of honour, and no Member should feel unable to accept the opportunity to serve due to concerns about the potential personal financial costs. However, in order to ensure transparency to the public, a Scheme of Reference should be developed to make it clear what was, and what was not covered. It was also agreed the Independent Remuneration Panel should consider the granting of a Special Responsibility Allowance to the Chairman of the Council, in recognition of the administrative element of the role (i.e. charring meetings).

At the conclusion of the review, the Board recommended to Council that an annual allowance of £2000 be paid to the Chairman of the Council, that a Scheme of Reference for the Chairman’s allowance be adopted, and that the operating period for the Chairman’s budget aligns with the municipal year rather than the financial.

All recommendations were agreed by Council in July 2012

*Contribution to Corporate Priorities: An Accessible Value for Money Council – ‘Demonstrate that we can be trusted to act properly for you by being transparent about our costs and performance’.*

### **Briefing on Street Cleansing Performance**

In July 2012 the Board received a briefing on the Council’s street cleansing performance as the Quarter 3 Performance Management Framework information having indicated a reduction in customer satisfaction.

Investigations identified no specific reasons for the drop in customer satisfaction but, to test standards, the Council had entered the ‘Clean Britain’ awards. In addition, measures had been taken to raise the profile of the service and ensure problem areas received quick attention. Neighbourhood blitz events had also been widened to involve more organisations and individuals.

*Contribution to Corporate Priorities: A Cleaner Greener Cherwell – ‘Maintain high levels of residents’ satisfaction with street and environmental cleanliness.’*

### **Oxfordshire Waste Partnership**

The Board had previously scrutinised the Council’s role in the Oxfordshire Waste Partnership (OWP) in 2010/11, and agreed to retain the issue on the Work Programme to ensure further monitoring of the financial arrangements.

The OWP had been developed to encourage collection authorities to invest in systems that in-turn reduced the level of waste going to landfill. The scheme had proved successful and, as a result, Oxfordshire County Council had made payments to collection authorities in the region of £1m. The County Council had subsequently sought to reduce the level of payments, and negotiations had taken place with all partners to agree a position for the future. The Board noted that, as a result of the negotiations, the Council would receive the same level of payments in 2013/14, but with a phased reduction of 25% over the years 2014/15, 2015/16 and 2016/17.

*Contribution to Corporate Priorities: A cleaner, greener Cherwell – ‘Increase the household recycling rate to above 60%.’ ‘Reduce the amount of waste sent to landfill’*

### **Review of Landscape Maintenance Contract**

The Board reviewed the Council’s Landscape Maintenance contract, looking at the history, service level, agency and contract arrangements, officer time allocated to contract management and management methods, contractor performance and financial deductions for poor performance, and the three year contract extension (to 2015) agreed by the Executive in December, 2010.

The Board noted the contract was generally performing well, although there were issues from time-to-time across the district. Consequently, it had been agreed that the contract renewal process (commencing spring 2013) be kept under review. In this respect, in April

2013 the Board received an overview of the contract pre-tender programme, and this was commended.

*Contribution to Corporate Priorities: A cleaner, greener Cherwell – ‘Work to ensure our streets, town centres, open spaces and residential areas are clean, well maintained and safe.’*

### **Business Case to Restructure the Resources Directorate Support Team**

In July 2012 the Board considered the business case to restructure the Resources Directorate Support team. The existing structure had been in place since February, 2010 but, with the creation of the Joint Management Team Support Team in September 2012, the wider Resources Directorate Support team required consideration. Three options had been put forward and consulted on, and the proposal producing the greatest benefit was to de-centralise the team and return the individual posts (8) to the local services team within the Resources Directorate; and without the requirement for any redundancies. This proposal welcomed and noted.

*Contribution to Corporate Priorities: An accessible, Value for Money Council – ‘Implement /embed shared back office systems and services to secure efficiencies’*

### **2013/14 Budget scrutiny**



The budget scrutiny process began in July 2012, when the Board received a briefing from the Head of Finance and Procurement on the Local Government Resources Review. This provided an overview of the financial context, financial projections, the impact of the LGRR, the budget setting process, and suggested topics for review as part of the 2013/14 budget process.

The Board agreed that the following topics would form the 2013/14 budget scrutiny review:

- Fees and Charges: concessions and bi-annual review.
- Capital Programme
- Environmental Services
- Homelessness and Temporary Accommodation Budgets
- A review of all proposals recommended over the previous 2 years.

**Environmental Services:** The Board appreciated that Environmental Services delivered many of the front line services most well-known to residents, such as waste collection, street cleansing, public conveniences and landscape management, and these accounted for a significant percentage of overall Council expenditure (The overall revenue budget for Environmental Services was £5.86m). It was noted that several measures had been made to reduce costs, including reviewing waste collection and street cleansing routes and purchasing more efficient vehicles to reduce fuel cost. Capital costs had also been reduced through the introduction of a seven year vehicle replacement programme, whilst keeping repair costs under control. Consideration had been given to introducing a separate food waste collection service in order to receive compost credits from OCC. However, the implementation costs would have exceeded the income from the likely level of compost credits that would be received. Nevertheless, the Board encouraged the



identification of further means of income generation, and suggested commercial waste collection was one such area.

**Homelessness Budget:** The Board noted that the Council's homelessness budget had remained static over the previous two years and that, whilst not ring-fenced, the Government's homelessness grant to the Council would be maintained at its current level for the next two years. However, it was also noted that the need for homelessness support would increase as a result of the Government's Local Government Resources Review and Welfare Reforms. The Board therefore agreed to maintain a watching brief.

**Capital Budget 2013-14 to 2016-17:** The Board undertook detailed consideration of the Capital Budget 2013-14 to 2016-17, with particular scrutiny of capital bids for 2013-14. These were subjected to a rigorous scoring system, resulting in twenty schemes being recommended to the Executive for inclusion in the Capital Programme, with a further two schemes also being recommended subject to conditions being applied. Decisions on six schemes were initially deferred for additional information, with five of these subsequently being recommended to the Executive for inclusion. Subject to some amendments to the proposals, the Executive had accepted all of the Board's recommendations.

**Review of proposals recommended over the last 2 years:** The Board noted that 15 of the 18 recommendations made in respect of the 2011/12 and 2012/13 budgets had been completed. A further two schemes had been partially completed, and one scheme deferred to 2013/14. It had been agreed that similar feedback be submitted in the future, as it demonstrated the impact of the scrutiny process.

*Contribution to Corporate Priorities: An accessible, Value for Money Council – 'Provide value for money and a financially sound organization, minimising the impact of smaller council budgets on frontline and priority services.'*

### **Concessions Policy**

As part of a previous budget scrutiny process, the Board had identified that there was a need for a consistent approach to concessions across the authority. Accordingly, as part of the 2013/14 budget scrutiny process, nominated Board members met with Finance Officers and reviewed the concessions currently offered by the Council and third parties. The review identified some discrepancies in approach, and it was consequently agreed that, together with an equality impact assessment, a policy should be developed based on overarching principles taking into consideration the services provided by the Council, services externally delivered, and the groups currently in receipt of concessions.

*Contribution to Corporate Priorities: A Safe, Healthy and Thriving Community – 'Work with partners to support the development of safe and thriving local communities and neighbourhoods.' 'Support the local community, voluntary and not for profit sectors to play an active role in the district.' 'Provide good quality recreation and leisure opportunities in the district.'*

### **Oxfordshire Rural Community Council**

Having undertaken a review of the Council's partnership with Oxfordshire Rural Community Council (ORCC) in 2009/10, the Board reviewed progress against the

recommendations made at that time. It was noted that a new Service Level Agreement was to be agreed for 2013/14, and that ORCC continued to have a community transport role, partnering Banbury CAB in the development and delivery of Cherwell's volunteer driver scheme and hosting the Oxfordshire Community Transport Advisory Group.

*Contribution to Corporate Priorities: A Safe, Healthy and Thriving Community – 'Work with partners to support the development of safe and thriving local communities and neighbourhoods.' 'Support the local community, voluntary and not for profit sectors to play an active role in the district.'*

### **Electronic Document and Records Management**

The Board reviewed the business case for the Electronic and Records Management (EDRM) project, which would enable the secure sharing of electronic information across Cherwell District Council, South Northamptonshire Council and external third parties. Subject to the development of a document outlining success criteria, the Board supported the proposal to undertake a pilot exercise, together with the establishment of a joint EDRM project group which would subsequently report back on the results and analysis from the pilot.

*Contribution to Corporate Priorities: An Accessible, Value for Money Council – 'Implement/embed shared back office systems and services to secure efficiencies.' 'Implement a shared ICT service.'*

### **Trade Waste Recycling**

In April, 2013 the Board considered a proposal to launch a Trade Recycling scheme in late May centred on Bicester and aimed at small and medium sized enterprises (SME's). The Board supported the proposal, together with the rationale for the development of fees and charges, which would encourage businesses to recycle.

*Contribution to Corporate Priorities: A Cleaner Greener Cherwell – 'Provide excellent waste collection and recycling services, working to reduce the amount of waste produced and to increase recycling across the district.'*

### **Performance Management Framework**

Periodically throughout the year, the Board reviewed the Council's performance as measured through the Performance Management Framework. The Council's generally excellent performance was readily acknowledged and praised. Where some issues were identified, further information and assurance had been sought.

*Contribution to Corporate Priorities: An Accessible, Value for Money Council – 'Demonstrate that we can be trusted to act properly for you by being transparent about our costs and performance.'*

## Call-in

The right to Call-in a decision of the Executive was not used during the municipal year 2012/13.

## Training and Development

There were no specific scrutiny related training events for members in 2012/13, however a number of other Member development events supported the role of councillors on the scrutiny committees.

## Statistics

Statistic	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13
Number of scrutiny committee meetings	20	20	17	17	16	17
% attendance at scrutiny committee meetings	78%	82%	76%	71%	72%	74%
Total Number of completed reviews	6	6	5	9 + Joint case = 10	6 + 1 Joint	5
Number of committee reviews undertaken	1	4	6		2	5
Number of Task & Finish Groups established	2	2	1	1	1	0
Number of Call-ins	1	0	0	1	0	0
% scrutiny recommendations accepted by Executive or other body	90%	97%	100%	100%	100%	100%

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## Council

### 2012/13 Treasury Management Annual Report

22 July 2013

### Report of Head of Finance and Procurement

#### PURPOSE OF REPORT

This report presents information on treasury management performance and compliance with treasury management policy during 2012/13 as required by the Treasury Management Code of Practice.

This report is public, Appendices 2 and 3 are exempt from publication by virtue of paragraph 3 of Schedule 12 A of Local Government Act 1972

#### Recommendations

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Council is recommended:

- (1) To note the contents of this report in line with the Treasury Management Strategy.

#### Executive Summary

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- 1.1 The annual treasury report is a requirement of the Council's reporting procedures. It covers the treasury activity during 2012/13 and the actual performance against Prudential Indicators for 2012/13
- 1.2 The report meets the requirements of both the CIPFA Code of Practice on Treasury Management and the CIPFA Prudential Code for Capital Finance in Local Authorities. During 2012/13 the reporting requirements were that members receive an annual treasury strategy in advance of the year, a mid-year treasury report and an annual report describing the activity compared to the strategy. The Accounts, Audit and Risk Committee has been nominated to scrutinise the treasury activity of the Council and they receive regular reports on compliance with strategy and a comprehensive overview of investments made.
- 1.3 The Council is required to comply with both Codes through Regulations issued under the Local Government Act 2003.

#### Background Information

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- 2.1 Councils invest money from the sale of assets and invest Government revenue grant paid to councils in regular intervals, before they have to spend

it. This is with the aim of earning interest to support services and keep council tax down. All investments are placed to ensure security of investments firstly, followed by liquidity and the final consideration is yield.

- 2.2 Cherwell District Council sold its housing stock on 29<sup>th</sup> March 2004 and this generated a substantial capital receipt. It is the Council's capital receipts and useable reserves that are being invested. As the Council continues to invest in infrastructure throughout the District these balances will reduce.

### **Annual Treasury Performance 2012/13**

- 2.3 The actual return on investments for 2012/13 was £1.028m compared with a budget of £0.828m a positive variance of £199k. However approximately £144k of the interest received is in respect of the investment of Eco Town funds and this has been allocated back to the Eco Town funding pot.

The budget was based on an average investment balance of £62.5m and an interest rate of 1.33%. The actual average balance was £77.1m which attracted an average return of 1.40%.

The financial year 2012/13 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk.

- 2.4 Our Treasury Management Annual Report can be seen in Appendix 1.

During 2012/13 the Council complied with all of its legislative and regulatory requirements.

### **Icelandic Investments**

- 2.5 The Council was one of over 100 local authorities that were affected by the collapse of Icelandic banking institutions. The Council held a total of £6.5 million in 3 investments with Glitnir.
- 2.6 As reported previously out of the £6.5m original capital investment £5.7m has been returned to the Council. The remaining balance of £729k and the associated interest relating to the investment are still held within Iceland but are accruing interest on an annual basis.
- 2.7 We continue to have discussions with the LGA and Bevan Brittan on the potential for transfer to the UK.

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

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- 3.1 This report illustrates the Council's Treasury performance for 2012/13 against budget and includes the Annual Treasury Report 2012/13
- 3.1 The following options have been identified. The approach in the recommendations is believed to be the best way forward

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

**Option Two** To approve or reject the recommendations above or

request that Officers provide additional information.

## Consultations

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The investment strategy has been subject to regular review with Members through the Accounts, Audit and Risk Committee and quarterly budget monitoring to the Executive.

## Implications

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<b>Financial:</b>	Financial Effects – the financial effects are as outlined in the report. Comments checked by Karen Muir, Technical & Project Accountant, 01295 221559.
<b>Legal:</b>	Presentation of this report is in line with the CIPFA Code of Practice. Comments checked by Kevin Lane, Head of Law & Governance, 0300 0030 107.
<b>Risk Management:</b>	It is essential that the Treasury Annual Report is considered by Council as it demonstrates that the risk of not complying with the Council's Treasury Management Strategy has been avoided in 2012/13. Comments checked by Nicola Jackson, Corporate Finance Manager, 01295 221731

## Wards Affected

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All

## Corporate Plan Themes

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An Accessible and Value for Money Council

## Executive Portfolio

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Councillor Ken Atack  
Lead Member for Financial Management

## Document Information

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Appendix No	Title
Appendix 1	Treasury Management Report 2012/13
Appendix 2	Sector – Portfolio Report at March 2013 – Exempt
Appendix 3	Investec – Portfolio Report at March 2013 - Exempt
<b>Background Papers</b>	
2012/13 Investment Strategy CIPFA Treasury Management Code Of Practice 2012/13 Treasury Management Practices 2012/13 Budget Monitoring Reports	
<b>Report Author</b>	Karen Curtin, Head of Finance and Procurment
<b>Contact Information</b>	01295 221634 <a href="mailto:karen.curtin@cherwell-dc.gov.uk">karen.curtin@cherwell-dc.gov.uk</a>





## Annual Treasury Management Report 2012/13

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### Purpose

This Council is required through regulations issued under the Local Government Act 2003 to produce an annual treasury report reviewing treasury management activities and the actual prudential and treasury indicators for 2012/13. This report meets the requirements of both the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

During 2012/13 the minimum reporting requirements were that the full Council should receive the following reports:

- an annual treasury strategy in advance of the year (Council 25/2/2013)
- a mid year treasury update report (Accounts, Audit & Risk Committee 05/12/12)
- an annual review following the end of the year describing the activity compared to the strategy (this report)

The Accounts, Audit and Risk Committee has been nominated to scrutinise the treasury activity of the Council and it receives regular reports. In addition, this Council has received quarterly treasury management update reports by the Executive.

Recent changes in the regulatory environment place a much greater onus on members for the review and scrutiny of treasury management policy and activities. This report is important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council also confirms that it has complied with the requirement under the Code to give prior scrutiny to all of the above treasury management reports by the Accounts, Audit & Risk Committee before they were reported to the full Council.

### Executive Summary

During 2012/13, the Council complied with its legislative and regulatory requirements. The key actual prudential and treasury indicators detailing the impact of capital expenditure activities during the year, with comparators, are as follows:

<b>Prudential and treasury indicators</b>	<b>2011/12 Actual £000</b>	<b>2012/13 Actual £000</b>
Capital expenditure	4,816	11,172
Capital Financing Requirement:	(4,816)	(11,172)
Net borrowing	0	0
External debt	0	0
Investments		
• Longer than 1 year	5,041	0
• Under 1 year	61,973	64,415
• Total	<b>67,014</b>	<b>64,415</b>

Other prudential and treasury indicators calculated at the time of preparing our Treasury Strategy for 2013/14 are to be found in Annex 1 of this report. .

The financial year 2012/13 continued the challenging investment environment of previous years, namely low investment returns and continuing heightened levels of counterparty risk.

## Introduction and Background

This report summarises:

- Capital activity during the year;
- Impact of this activity on the Council's underlying indebtedness (the Capital Financing Requirement);
- Reporting of the required prudential and treasury indicators;
- Overall treasury position identifying the impact on investment balances;
- Summary of interest rate movements in the year;
- Detailed investment activity.

### 1. The Council's Capital Expenditure and Financing 2012/13

The Council undertakes capital expenditure on long-term assets. These activities may either be:

- Financed immediately through the application of capital or revenue resources (capital receipts, capital grants, revenue contributions etc.), which has no resultant impact on the Council's borrowing need; or
- If insufficient financing is available, or a decision is taken not to apply resources, the capital expenditure will give rise to a borrowing need.

The actual capital expenditure forms one of the required prudential indicators. The table below shows the actual capital expenditure and how this was financed:

	<b>2011/12 Actual £000s</b>	<b>2012/13 Actual £000s</b>
Capital Expenditure	4,816	11,172
<b>Total Capital expenditure</b>	<b>4,816</b>	<b>11,172</b>
<b>Resourced by</b>		
Capital receipts	(3,938)	(9,617)
Government Grants & Other Contributions	(547)	(1,109)
Use of Reserves	(331)	(446)
Direct Revenue Financing		-
<b>Total resources used</b>	<b>4,816</b>	<b>11,172</b>

### 2. The Council's Overall Borrowing Need

The Council is debt free and does not currently have a borrowing requirement.

### 3. Treasury Position as at 31 March 2013

The Council's investment position is organised by the treasury management team in order to ensure adequate liquidity for revenue and capital activities, security for investments and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through Member reporting detailed in the summary, and through officer activity detailed in the Council's Treasury Management Practices. At the beginning and the end of 2012/13 the Council's treasury position was as follows:

	2011/12 Actual £000	2012/13 Actual £000
Investments		
Longer than 1 year	5,041	0
Under 1 year	61,973	64,415
Total	<b>67,014</b>	<b>64,415</b>

### 4. The Strategy for 2012/13

The Treasury Management Strategy Statement (TMSS) for 2012/13, which includes the Annual Investment Strategy, was approved by the Council on 25/2/2013. It sets out the Council's investment priorities as being:

- **Security of capital;**
- **Liquidity; and**
- **Yield**

The Council will also aim to achieve the optimum return (yield) on investments commensurate with proper levels of security and liquidity. In the current economic climate it is considered appropriate to keep investments short term to cover short term cash flow needs but also to seek out value available in significantly higher rates in periods up to 12 months with highly credit rated financial institutions, using Sector's suggested creditworthiness approach, including sovereign credit rating and Credit Default Swap (CDS) overlay information provided by Sector.

### 5. The Economy

During the quarter ended 31 March: -

- Indicators suggest that the economy was very near to a second consecutive quarter of negative growth in GDP;
- Household spending strengthened, both on and off the high-street;
- Unemployment rose for the first time for a year;
- Inflation remained stubbornly above the MPC's 2% target;
- Three members of the MPC voted for further QE;
- UK equity prices rose and sterling fell;
- The US economic recovery gathered pace.

It remains touch-and-go whether the UK economy contracted again in the first quarter: if so, it would result in a triple-dip recession. On the basis of past form, the CIPS/Markit business surveys point to next to no growth in the first quarter of 2013 and the first official

sets of output data have been fairly disappointing. Although the index of services rose by a monthly 0.3% in January, this did not fully reverse its drop in December. Meanwhile, industrial production posted a 1.2% monthly fall in January. This was partly driven by lower output in the volatile energy sector, but manufacturing output was down 1.5% on the month too. Note also that unusually bad weather at the end of the quarter may have depressed activity in certain sectors, such as retail and construction.

Household spending appears to have started the year on a stronger footing. The 2.1% monthly rise in retail sales in February more than offset January's 0.7% fall. Non-high street spending has been robust too, with new car registrations up by 7.9% in the year to February.

The latest data tentatively suggested that the labour market's recent resilience is coming to an end. Employment continued to grow, by 131,000 in the three months to January, but this was slower than the 175,000 gain seen in the fourth quarter. The unemployment data was also softer, with the ILO measure showing a 7,000 rise in unemployment in the three months to January, the first increase in a year. Admittedly, the timelier claimant count measure still fell in February, albeit by a trivial 1,500. Meanwhile, pay growth remained subdued, with the headline (3m average of the annual rate) measure of earnings falling to 1.2% in January.

Elsewhere, the housing market has been revived a bit by the Bank of England's Funding for Lending Scheme (FLS) which helped to bring down some mortgage rates, primarily on fixed products. The quoted interest rate on a 2-year fixed mortgage at a 90% loan-to-value ratio has fallen around 80 basis-points since the introduction of the FLS back in August.

This is helping to support house prices. Both the Halifax and Nationwide measures reported monthly gains in February, rising by 0.5% and 0.2% respectively. The Halifax measure rose by 1.9% on a 3-month-on-3-month basis, the fastest pace since the beginning of 2010. But there were some early signs of weakness in the housing market in the first quarter. Mortgage approvals as measured by the BBA fell in both January and February, and are now 8% lower compared with the end of last year. But this may be overstating the fall, as smaller lenders, not measured by the BBA figures, have been gaining market share recently. The broader Bank of England data, which also includes non-bank lenders, showed that approvals fell by just 1.6% in January.

On the fiscal front, the public borrowing figures for this year have been flattered by a number of one-offs, including the transfer of the Royal Mail pension fund and the revenues of interest generated by the Bank of England's Asset Purchase Facility. On an underlying basis, however, the OBR forecast net borrowing of £121.9bn in 2012/13, is basically unchanged from the outturn seen in the last financial year. Underlying borrowing is now not forecast to fall substantially until 2014/15.

This year's Budget contained many good individual measures, but they were on a small scale and their overall effect was fiscally neutral. The further 1p cut in corporation tax and the "employment allowance", which helps to reduce employers' national insurance contributions, were welcome moves that should help business. But giveaways were matched by further cuts, including a further 1% reduction in departmental spending in the next two fiscal years.

The Budget also contained a reaffirmation of the MPC's 2% inflation target along with some minor tweaks to the MPC's remit, which will allow the MPC more flexibility in the communication of its policy. This fell short of speculation that the government could suspend, or even scrap entirely, the 2% inflation target.

Inflation, meanwhile, remained high, with the CPI measure rising from 2.7% to 2.8% in February. The latest rises have been driven, mainly, by higher energy prices. This reflected a sharp rise in sterling oil prices as well as the final price rise from a “big six” utility company filtering through.

The MPC has said that it would “look through” the latest energy driven price rises when setting monetary policy. Indeed, the minutes of February’s meeting showed that three members of the MPC, including Governor, Mervyn King, voted for further quantitative easing. The size of the Bank’s asset purchase programme has remained at £375bn since November.

Turning to the markets, both UK and global equity prices have rallied since the start of the year, with the FTSE 100 rising from 5,897 to 6,400. Gilt prices were volatile over the quarter, with the yield on 10-year gilts hitting 2.2% in early March, before falling back to 1.72% at the end of the quarter, similar to the level seen at the start of the year.

Meanwhile, the pound has fallen sharply against the dollar, from \$1.63 to \$1.51. Sterling was slightly weaker against the euro, too, slipping from €1.23 to €1.19.

Internationally, the economic recovery in the US appeared to gather momentum over the first quarter. A weighted average of the ISM indices is consistent with annualised GDP growth of close to 3%. What is more, the growth in private payrolls accelerated to a 3-month average of 200,000 in February. While the expiry of the payroll tax cut at the start of the year will hit real incomes, the 0.4% rise in underlying retail sales in February looks consistent with consumption growth of 2% annualised.

The Eurozone crisis flared up again at the end of the quarter, after it was agreed that bank deposits could be subject to a “haircut” as part of an international bail-out package for Cyprus. While a bailout package agreed by European Finance Ministers should avert disaster, the episode has raised fears about the safety of bank deposits in other periphery countries. Meanwhile, the underlying Eurozone economy looks weak.

<b>Abbreviation</b>	
<i>MPC</i>	<i>Monetary Policy Committee</i>
<i>QE</i>	<i>Quantitative Easing</i>
<i>ILO</i>	<i>International Labour Organisation</i>
<i>BBA</i>	<i>British Banking Association</i>
<i>OBR</i>	<i>Office Budget Responsibility</i>

## 5. Interest Rate Forecast

The Council's treasury advisor, Sector, provides the following forecast:

	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
<b>Bank rate</b>	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%
<b>5yr PWLB rate</b>	1.80%	1.80%	1.80%	1.90%	2.00%	2.10%	2.20%	2.40%
<b>10yr PWLB rate</b>	2.90%	2.90%	2.90%	3.00%	3.10%	3.20%	3.30%	3.50%
<b>25yr PWLB rate</b>	4.10%	4.10%	4.10%	4.20%	4.20%	4.30%	4.40%	4.60%
<b>50yr PWLB rate</b>	4.20%	4.20%	4.20%	4.40%	4.40%	4.50%	4.60%	4.70%

Sector undertook a review of its interest rate forecasts following the issue of the latest Bank of England Inflation Report in February 2013. Sector has left unchanged its forecast for the first increase in Bank Rate to be in March 2015.

However, forecasts for PWLB rates have been increased as a result of the marked recovery in confidence in equity markets, anticipating stronger economic recovery in America, supported by growth in the Far East.

The rise in equity prices has, conversely, resulted in a selloff in bonds and some diminution of the UK as a safe haven from more risky assets. However, towards the end of March, the Cyprus crisis has partially reversed these general trends during the quarter, although this is likely to be a temporary phase – at least, until the next Eurozone crisis!

## 6. Investment Outturn for 2012/13

**Investment Policy** – the Council's investment policy is governed by CLG guidance, which was been implemented in the annual investment strategy approved by the Council on 25/02/2013. This policy sets out the approach for choosing investment counterparties, and is based on credit ratings provided by the three main credit rating agencies supplemented by additional market data (such as rating outlooks, credit default swaps, bank share prices etc.).

The investment activity during the year conformed to the approved strategy, and the Council had no liquidity difficulties.

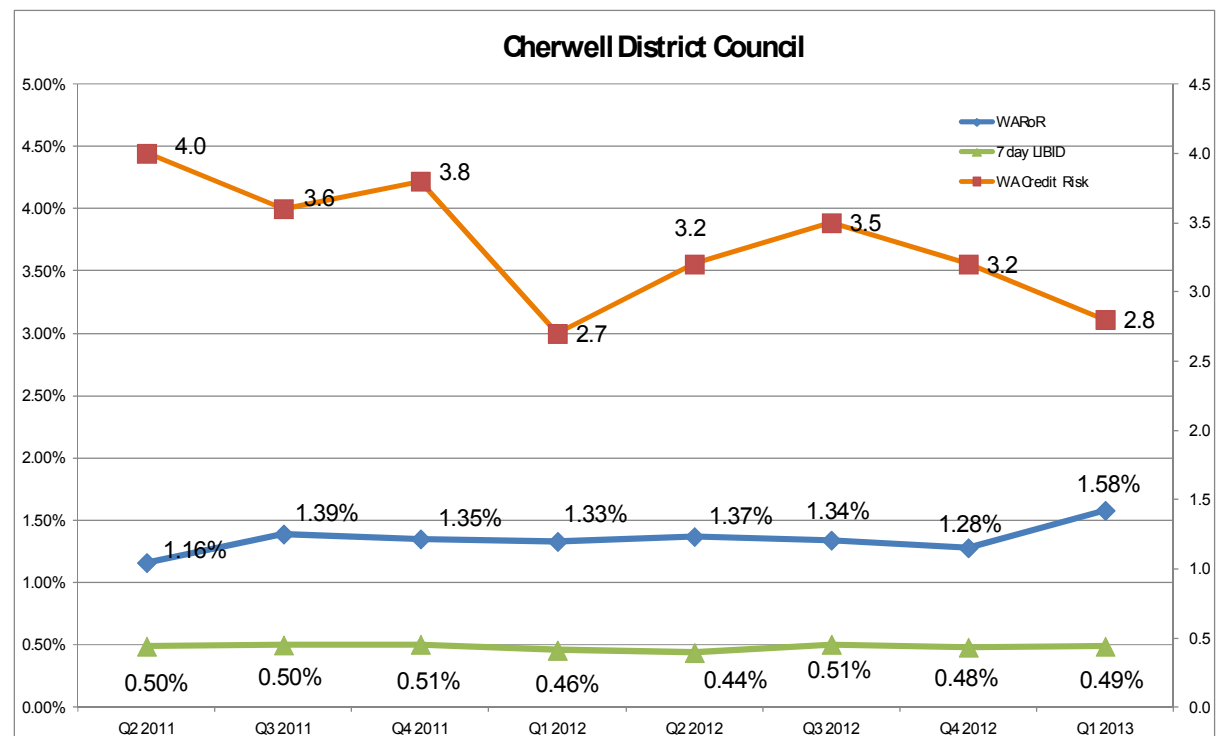
**Investments held by fund managers** – the Council used 2 external fund managers to invest part of its cash balances but this has reduced to 1 (Investec) during the course of 2012/13. The performance of the managers against the benchmark return was:

Fund Manager	Balance 01/04/2012	Balance 31/03/13	Return
In House	43,824	50,480	803
Tradition UK	10,500	0.00	106
Investec	11,548	11,840	119
<b>Total</b>	<b>£65,872m</b>	<b>£62,320m</b>	<b>£1,028m</b>

The actual return on investments for 2012/13 was £1.028m compared with a budget of £0.828m a positive variance of £199k. However approximately £144k of the interest received is in respect of the investment of Eco Town funds and this has been allocated back to the Eco Town funding pot.

The budget was based on an average investment balance of £62.5m and an interest rate of 1.33%. The actual average balance was £77.1m which attracted an average return of 1.40%.

The graph below shows that this rate of return has been successfully achieved whilst ensuring the overall credit risk to the council has been reducing steadily throughout 2012/13 over this current year.





## **7. Icelandic Bank Defaults**

The Council was one of over 100 local authorities that were affected by the collapse of Icelandic banking institutions. The Council held a total of £6.5 million in 3 investments with Glitnir.

As reported previously out of the £6.5m original capital investment £5.7m has been returned to the Council. The remaining balance of £729k and the associated interest relating to the investment are still held within Iceland but are accruing interest on an annual basis.

We continue to have discussions with the LGA and Bevan Brittan on the potential for transfer to the UK.

## Annex 1 Prudential and Treasury Indicators

(As per Treasury Management Strategy approved 25<sup>th</sup> February 2013)

### Existing Investment & Debt Portfolio Position

	<b>31/01/13 Actual Portfolio £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.

	2012/13 Actual £000s	2013/14 Estimated £000s	2014/15 Estimated £000s	2015/16 Estimated £000s
Capital Expenditure	5,817	9,483	5,484	1,397
<b>Financed by:</b>				
Capital receipts	(5,442)	(9,108)	(5,109)	(1,397)
Capital grants	(375)	(375)	(375)	-
<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.

Ratio of Financing Costs to Net Revenue Stream	2012-13 Approved %	2012-13 Revised%	2013-14 Estimate %	2014-15 Estimate %	2015-16 Estimate %
<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 (or Benchmark level) at 31/03/12 %	2012-13 Approved £m or %	2012-13 Revised £m or %	2013-14 Estimate £m or %	2014-15 Estimate £m or %	2015-16 Estimate £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.

Maturity structure of fixed rate borrowing	Existing level (or Benchmark level) at 31/03/12 %	Lower Limit for 2013/14 %	Upper Limit for 2013/14 %
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

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

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

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## Council

### Standards Committee – Appointment of Independent Person

22 July 2013

### Report of Head of Law and Governance

#### PURPOSE OF REPORT

To enable Council to appoint a statutory Independent Person pursuant to Section 28 (7) of the Localism Act 2011 following the expiry of the term of office of Dr Sadie Reynolds.

This report is public.

#### Recommendations

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Council is recommended:

- (1) To appoint Graham Matthews as statutory Independent Person pursuant to Section 28 (7) of the Localism Act 2011 with a term of office expiring on the date of the Annual Meeting in May 2017.
- (2) Thank Dr Sadie Reynolds for her hard work as an Independent Person since 15 October 2012 and previously as an Independent member of the Standards Committee for the period 2004 - 2012.

#### Details

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- 1.1 On 16 May 2012 Council resolved that two statutory Independent Persons should be appointed pursuant to Section 28 (7) of the Localism Act 2011. On 15 October 2012 Dr Sadie Reynolds and Thomas Edwards were duly appointed as statutory Independent Persons with their terms of office expiring on 30 June 2013 and the date of the Annual Meeting in May 2016 respectively.
- 1.2 As a consequence of the expiry of Dr Sadie Reynolds' term of office, to ensure the Council continues to have two Independent Persons the vacancy has been advertised.
- 1.3 The Head of Law and Governance and the Vice-Chairman of the Standards Committee have reviewed the application received and are in agreement to the proposed appointment. Mr Matthews is already an Independent Person for South Northamptonshire Council and is a former Independent member of the Standards Board for East Northamptonshire Council.

## Conclusion

- 1.4 The Head of Law and Governance and the Vice-Chairman of the Standards Committee (in the absence of the Chairman) have reviewed the application received and recommend the appointment of Mr Matthews as one of the Independent Persons pursuant to Section 28 (7) of the Localism Act 2011.

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

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

**Option One** To accept the recommendation.

**Option Two** To appoint a different Independent Person to that recommended. This is not recommended as the proposed appointment has the support of the Standards Committee Vice-Chairman and consideration of alternative appointments would require a deferral of this matter to a future Council meeting, and the inability of the Head of Law and Governance to continue to effectively operate the Standards arrangements in the meantime.

**Option Three** Not to appoint a second independent Persons. This is not recommended because the Council has previously agreed to appoint two Independent Persons and having two independent persons significantly mitigates the risk of a conflict of interest arising as well as lack of adequate cover should one Independent Person be unavailable.

## Consultations

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Vice-Chairman, Standards Committee

## Implications

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**Financial:** The Independent Persons will be entitled to receive an allowance payment of £708 per year. This reflects the allowance payments that were received by the former Independent External Members of the Standards Committee. There is accordingly budgetary provision for these payments.

Comments checked by Karen Curtin, Head of Finance and Procurement,  
karen.curtin@cherwellandsouthnorthants.gov.uk

**Legal:** The legal implications are dealt with in the report.

Comments checked by Kevin Lane, Head of Law and Governance,  
kevin.lane@cherwellandsouthnorthants.gov.uk

**Risk Management:**

The Council is legally obliged to appoint at least one independent person. By appointing two independent persons the risk of a conflict of interest arising is significantly mitigated.

Comments checked by Kevin Lane, Head of Law and Governance,  
kevin.lane@cherwellandsouthnorthants.gov.uk

**Document Information**

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<b>Appendix No</b>	<b>Title</b>
None	
<b>Background Papers</b>	
None	
<b>Report Author</b>	Natasha Clark, Team Leader Democratic & Elections
<b>Contact Information</b>	01295 221589 Natasha.clark@cherwellandsouthnorthants.gov.uk

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## Council

### Community Governance Review 2012

22 July 2013

#### Report of Chief Executive

##### PURPOSE OF REPORT

To ask Council to consider the recommendations of the Community Governance Review Working Group, and to agree that the Working Group be amended to form a Boundary Review Group in preparation for the district boundary review taking place later this year.

This report is public
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##### Recommendations

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Council is recommended:

- (1) To approve an increase in the number of Parish Councillors for Adderbury Parish Council by one from 11 to 12, a change that will take effect at their next ordinary year of election in 2016.
- (2) To approve the moving of the land shown in red on the appended map 1 from the Parish of Blackthorn into the Parish of Ambrosden, a change that will take effect from the next ordinary year of election for Ambrosden in 2016
- (3) To approve (a) the moving of the land shown red on the appended map 2 into Banbury Town Council area, from the parishes of Drayton, Hanwell and Bodicote, these changes to take place at the time of the next ordinary election for Banbury Town Council in 2016; and (b).the extension of the terms of office for Parish Councillors at Drayton Parish Council and Hanwell Parish Council by two years to bring them into line with the Banbury Town Council election.
- (4) To approve (a) the moving of the land shown red on the appended map 3 into Bicester Town Council area, from the parishes of Bucknell, Caversfield and Chesterton, this change to take place at the time of the next ordinary election for Bicester Town Council in 2015; and (b) the reduction in the terms of office for Parish Councillors at Bucknell Parish Council and Caversfield Parish Council by one year to bring them into line with the Bicester Town Council election.

- (5) To approve an increase in the number of Bicester Town Councillors from 15 to 20. This change will take place at the time of the next ordinary election for Bicester Town Council in 2015.
- (6) To approve an increase in Parish Councillors at Chesterton Parish Council by one from 6 to 7, a change which will take effect at the next ordinary election for the Parish in 2015
- (7) To approve an increase in the number of Parish Councillors for Bloxham Parish Council by one from 11 to 12, to take effect at the next ordinary election of the Parish Council in 2014.
- (8) To approve an increase in the number of Parish Councillors for Middleton Stoney Parish Council by two from 5 to 7, to take effect at the next ordinary election of the Parish Council in 2015.
- (9) To approve an increase in the number of Parish Councillors for Piddington Parish Council by two, from 5 to 7, to take effect at the next ordinary election of the Parish Council in 2016.
- (10) To make no change to Upper Heyford Parish Council at this time, with officers monitoring progress of any major planning applications, community capacity building and reviewing the situation at an appropriate time within the next 5 years
- (11) To delegate authority to the Head of Law and Governance, in consultation with the Electoral Registration Officer and Returning Officer, to complete all necessary actions in respect of the making of Statutory Orders to implement the changes
- (12) To delegate authority to the Head of Law and Governance to request that the Local Government Boundary Commission for England make changes to Ward and Divisional Boundaries to reflect the revised Parish Boundaries
- (13) To change the Community Governance Review Working Group into a Boundary Review Working Group with the terms of reference set out at Appendix 1 (Terms of Reference to be tabled at the meeting following discussions with the Boundary Commission).
- (14) To delegate authority to the Head of Law and Governance, in consultation with group leaders, to appoint two representatives from each political group to the Boundary Review Working Group in anticipation of the District Review taking place later in 2013.

## **Executive Summary**

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- 1.1 The Community Governance Review Working Group (the Working Group) was set up following a Council resolution in December 2012. Town and Parish Councils across the district were invited to submit comments and suggestions for consideration, and 19 responses were received. The Working Group met in February 2013 to discuss each response, and a further report was submitted to Council and the proposals to be consulted on were agreed.
- 1.2 A second consultation period was held which ran from 27 March to 14 June. Copies of the proposals were sent out to all Town and Parish Councils via the Parish update newsletter, and it was also published on the Council's Consultation Portal for general public comment.

### **Responses**

- 2.1 Twenty one responses were received during the second consultation period – 15 from affected Parish Councils, and 6 from members of the public. Full copies of all responses received are on file in the Members' room.
- 2.2 A further meeting of the Working Group was held in late June 2013, where each response was discussed in detail in conjunction with the relevant recommendations to consider consultation responses that had been received and draft proposals for consideration by Council.

### **Adderbury Parish Council**

- 2.3 During the initial consultation with Towns and Parishes, Adderbury Parish Council requested an increase in numbers from 11 to 14. The Working Group felt that this was too big an increase as it could potentially lead to repeated co-options to fill vacant seats.

The second consultation therefore recommended an increase of 1 Parish Councillor to 12. Adderbury Parish Council responded to say that they were happy to accept the recommended increase, and the Working Group agreed that the Adderbury recommendation should remain the same.

Council are therefore recommended to approve an increase in the number of Parish Councillors for Adderbury Parish Council by one from 11 to 12, a change which will take effect at their next ordinary year of election in 2016.

### **Ambrosden Parish Council and Blackthorn Parish Council**

- 2.4 During the initial consultation Ambrosden Parish Council requested that an area of land currently situated within Blackthorn Parish Council be transferred to Ambrosden. The Working Group agreed that this was a sensible request and the second consultation recommended that the land be transferred.

Blackthorn Parish Council submitted a response objecting to the transfer, on the grounds that it was being used as a 'land grab' by Ambrosden. Blackthorn Parish Council also raised concerns over a planning consultation in relation to an application being submitted for Springfield Farm, Ambrosden (reference 13/00344/HYBRID).

Three responses were also submitted via the consultation portal from Members of the public, who also objected to the proposal to move the area of land on the basis of improper consultation in connection with the planning application.

Ambrosden Parish Council submitted a response which requested a further amendment to the boundary in order to bring the grass verge of the east side of the B4011 in to the Parish, to help with maintenance of the verge.

The Working Group considered both responses in great detail. With regard to the Ambrosden response, the Working Group felt that the move of the boundary to incorporate the requested grass verge would have too many knock on effects to other boundaries in the area, and therefore decided to leave it as it was. They added that grass verge maintenance is the responsibility of the County Council, but would suggest that Ambrosden hold discussions with Blackthorn to agree a way forward regarding verge maintenance.

In connection with the Blackthorn response, the Working Group consulted maps of the Springfield Farm planning application to help in their deliberations. The map shows that all access roads for the development fall within the Ambrosden Parish area, and Ambrosden village will be the closest settlement to the development. The area of land requested to be transferred will mean that the whole development falls within the Ambrosden area and will be easier from an identity and administrative perspective, as opposed to historic field boundary.

The Working Group noted the concerns of Blackthorn Parish Council in connection with the planning application consultation. However that is not an area that they have responsibility for and they have referred Blackthorn Parish Council's comments to the Council's planning department for response. The Working Group would also like to clarify that the request to move the area of land came from Ambrosden Parish Council and not the developer of the Springfield Farm application.

Council are therefore recommended to approve the moving of the land shown in red on the appended map 1 from the Parish of Blackthorn into the Parish of Ambrosden, a change that will take effect from the next ordinary year of election for Ambrosden in 2016.

**Banbury Town Council, Bodicote Parish Council, Drayton Parish Council and Hanwell Parish Council**

- 2.5 Due to the increasing amount of prospective development around the Banbury Town Council area, the Working Group agreed to consult on the principle of including all new developments which either had extant planning permissions or which had been included in the emerging local planning policy framework for some time within the Banbury Town Council boundary.

During the first consultation stage Drayton Parish Council submitted a request to have areas of the village involved in prospective developments moved out of the Parish into the Town Council area.

Banbury Town Council submitted a request to have the new prospective development areas of the town moved into their administrative area, and also requested that properties in the Wykham Farm area be moved back into Banbury. These properties had been moved into the Bodicote area in the early 1990's at the request of a resident, and Domesday records showed the properties as being in Banbury at that time.

Bodicote Parish Council submitted a response objecting to both proposals. With regard to the Bankside development being included in Banbury, Bodicote Parish Council argue that the development is not an urban extension of Banbury but a rural extension of Bodicote due to the inclusion of a green buffer zone between the new development and the existing Bodicote boundary. Recent presentations from the developers have also indicated that development will start from the Bodicote end of the Bankside site rather than the Banbury end, and an access point from existing Bankside won't be in place until 5 years into the development.

With regard to the Wykham Farm properties, Bodicote Parish Council reported that all affected residents objected to the proposal, and they supported the views of those residents. The Parish Council were concerned that the village was being squeezed from both sides and would be losing control of a lot of land.

Three responses were also received from current residents of Wykham Farm, who all expressed their objections to the proposal to move them from Bodicote in to Banbury. They all felt that they were residents of Bodicote and supported the local economy.

The Working Group considered all responses received but were still of the view that both Bankside and Wykham Farm should be moved in to the Banbury Town Council area. For the Bankside development they felt that a development of such size would be better suited to the Banbury area, and the Council's position had always been to consult on the principle of including it within Banbury.

Regarding Wykham Farm, the Working Group agreed that it was unfortunate the properties had been moved into Bodicote when the request was made. It was done at a time when such boundary amendments were completed by central Government as opposed to the local Authority, and the Working Group all agreed that had the request been received as part of this review it would have been rejected.

Due to the historical positioning of the Wykham Farm properties, and the use of the stream as a boundary in the past, the Working Group agreed that the recommendation should stand in terms of moving the properties back into the Banbury Town Council area.

Council are therefore recommended to approve the moving of the land shown red on the appended map 2 into the Banbury Town Council area, from the parishes of Drayton, Hanwell and Bodicote. These changes will take place at the time of the next ordinary election for Banbury Town Council in 2016.

As the next year of ordinary election for Drayton Parish Council and Hanwell Parish Council is 2014, terms of office for these Parish Councillors will need to be increased by two years in order to bring them into line with the Banbury Town Council election.

### **Bicester Town Council, Bucknell Parish Council, Caversfield Parish Council and Chesterton Parish Council**

- 2.6 Bicester is in a similar situation to Banbury regarding new and prospective development taking place, a lot of which is already well under way. The proposals for Bicester Town Council mirror those for Banbury Town Council, in that it was proposed that all new and prospective developments be moved into the Bicester Town Council area.

Also associated with the boundary changes to Bicester Town Council is an increase in Town Councillors from 15 to 20.

All affected Parish Councils responded to the consultation positively, supporting the proposal to move the areas of development into the Bicester Town Council area.

Conflicting responses were received from Bicester Town Council and Chesterton Parish Council regarding the exact position of the boundary. Chesterton had requested that it be moved to the south side of Vendee Drive, whereas Bicester had requested it be moved much further past Vendee Drive so that a larger area of Chesterton be moved. The Working Group considered both requests and concluded that minimising the amount of Chesterton being moved would be the best scenario, and therefore recommended that the boundary be moved just to the south side of Vendee Drive.

Council are therefore recommended to approve the moving of the land shown red on the appended map 3 into the Bicester Town Council area, from the parishes of Bucknell, Caversfield and Chesterton. Council is also recommended to increase the number of Bicester Town Councillors from 15 to 20. All of these changes will take place at the time of the next ordinary election for Bicester Town Council in 2015.

As the next year of ordinary election for Bucknell Parish Council and Caversfield Parish Council is 2016, terms of office for these Parish Councillors will need to be reduced by one year in order to bring them into line with the Bicester Town Council election.

### **Chesterton Parish Council**

- 2.7 As well as the proposal to move part of Chesterton into the Bicester area, was a request from Chesterton to increase the number of Parish Councillors by one from 6 to 7. The Working Group and Council agreed with this proposal, and it was included in the second consultation phase.

No objections have been received relating to this increase, therefore Council are recommended to approve the increase in Parish Councillors at Chesterton from 6 to 7, a change which will take effect at the next ordinary election for the Parish in 2015.

### **Bloxham Parish Council**

- 2.8 At the time of the initial consultation Bloxham requested an increase in the number of Parish Councillors from 11 to 14. The Working Group initially felt that this was too high an increase and would lead to repeated co-options. The recommendation to Council was an increase of one to 12. Council agreed and the second consultation period included this proposal.

Bloxham Parish Council responded to the consultation further requesting an increase to 14 Councillors, due to the additional work which would be being undertaken by the Parish Council over the next few years.

The Working Group were still of the view that 14 Parish Councillors would be too high, and repeated co-options would take place to fill the extra seats, a view further enhanced with the information that the last contested election was held in 2006 with 12 candidates. The Working Group acknowledge the work that the Parish Council will be undertaking, and suggested that working groups be set up with a mix of Parish Councillors and interested villagers in order to spread the work out and engage people who perhaps otherwise wouldn't wish to stand as a Parish Councillor.

Council are therefore recommended to approve an increase in the number of Parish Councillors for Bloxham by one from 11 to 12, to take effect at the next ordinary election of the Parish Council in 2014.

### **Middleton Stoney Parish Council**

- 2.9 Prior to the start of the Community Governance Review process, Middleton Stoney Parish Council had made enquiries in early 2012 as to how they could go about increasing their number of Parish Councillors. When the consultation process was started, increasing numbers from 5 to 7 was included as one of the recommendations.

No objections were received to this proposed increase, and Middleton Stoney Parish Council responded to say that they were happy to increase their numbers. Council are therefore recommended to approve an increase in the number of Parish Councillors for Middleton Stoney by two from 5 to 7, to take effect at the next ordinary election of the Parish Council in 2015.

### **Piddington Parish Council**

- 2.10 As with Middleton Stoney Parish Council, a request was received from Piddington Parish Council relating to increasing numbers of Parish Councillors from 5 to 7.

The proposal was approved by the Working Group and Council, and included in the consultation process. Piddington Parish Council responded to say that they were happy with the proposal, and no objections were received.

Council are therefore recommended to approve an increase in the number of Parish Councillors for Piddington Parish Council by two, from 5 to 7, to take effect at the next ordinary election of the Parish Council in 2016.

### **Upper Heyford Parish Council**

- 2.11 During the initial stages of the Review, a request was made by Upper Heyford Parish Council to create two separate parishes for the village; one which would serve the area known as Heyford Park, and the other serving the rest of the village of Upper Heyford.

Both the Working Group and Council felt that splitting the Parish in such a way was not advisable at present due to the low number of owner occupiers in Heyford Park and the effect this had on transience in the area, and the high risk of a knock-on effect to the Parish Council being inquorate and unable to operate without assistance from the District Council. The recommendation of Council was therefore to Ward the Parish, creating Wards to mirror the request of the Parish Council. This would then give the District Council the ability to monitor the

Parish Council, particularly in terms of number of representatives from Heyford Park, and also enable the Parish Council to allocate funds to each Ward.

During the second consultation phase Upper Heyford Parish responded to say that they still felt splitting the parish was the best way forward, as with proposed development in the village a split would be required at some point in the future anyway. They felt that the residual properties left in each parish would provide a large enough tax base for each to operate sufficiently, and offered support to any new Parish Council created for the Park area whilst they were getting to grips with the new scenario. However, following further consideration a warded approach with Councillors allocated based on population of the two wards would lead to the majority of Councillors representing the Heyford Park Ward with only 1 or 2 representing Upper Heyford Village ward, when the reverse is true in terms of the residence of current councillors.

Officers investigated the progress of development in the village, and found that no applications had been submitted to date, therefore any development would still be a number of years away.

Officers also spoke to both District Councillors for the area, and their views were considered by the working group.

The difficulties of warding and doubts about the sustainability and viability of the new Heyford Park Parish, coupled with the uncertainty surrounding Council Tax levels led the Working Group to come to the conclusion that the Parish should for the time being be left as one Parish Council, but with officers monitoring the rate of elector turnover in the Parish and also applications for development and working with the Upper Heyford Parish Council to develop the community capacity of Heyford Park, with a view to ascertaining appetite for a separate parish council. As Parish boundaries are a District Council responsibility the Council can call for a review at any time when Upper Heyford reaches a point where splitting into two sustainable parishes is achievable.

Council are therefore recommended to make no change to Upper Heyford Parish Council at this time, with officers monitoring progress of any major planning applications, assisting in the development of community capacity and reviewing the situation at an appropriate time within the next 5 years.

### **Next steps**

- 2.12 Following consideration of the recommendations by Council, each Town or Parish Council listed in paragraphs 2.3 to 2.11 will be contacted and informed of the outcome of the review, and dates for implementation.

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

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

- |                     |                                  |
|---------------------|----------------------------------|
| <b>Option One</b>   | To agree the recommendations     |
| <b>Option Two</b>   | Not to agree the recommendations |
| <b>Option Three</b> | To amend the recommendations     |

## **Consultations**

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- |  |  |
|--|--|
| <b>All Town and Parish Councils in Cherwell District</b> | All councils were contacted and given until 14 June 2013 to respond.                   |
| <b>Oxfordshire County Council</b>                        | Oxfordshire County Council were also invited to submit comments.                       |
| <b>Electoral Registration Officer</b>                    | Electoral Registration Officer has been consulted and has no further comments to make. |

## **Implications**

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**Financial:** The main costs associated with carrying out a review is in terms of the considerable staff time required, which will mean that the Democratic and Elections team will not be available to support other work areas during the review.

Comments checked by Sarah Best, Service Accountant for Resources.

**Legal:** The process which has been followed by the Working Group is in accordance with the Local Government and Public Involvement and Health Act 2007. In undertaking the review that Council must take two statutory criteria into account namely that the community governance of the Cherwell district must be (a) reflective of the identities and interests of the community in the area and (b) convenient and effective. The Local Government Boundary Commission guidance on undertaking community governance reviews has also been taken into account. If the recommendations are approved they will also serve to reduce if not eliminate anomalies in community governance that are currently present.



Comments checked by Kevin Lane, Head of Law and Governance – [kevin.lane@cherwellandsouthnorthants.gov.uk](mailto:kevin.lane@cherwellandsouthnorthants.gov.uk) – Tel: 0300 0030 107

**Risk Management:** The proposals ensure that the Council is meeting requirements to keep community governance arrangements under regular review and therefore mitigate risk to the council.

Comments checked by Kevin Lane, Head of Law and Governance – [kevin.lane@cherwellandsouthnorthants.gov.uk](mailto:kevin.lane@cherwellandsouthnorthants.gov.uk) – Tel: 0300 0030 107

### **Wards Affected**

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All

### **Document Information**



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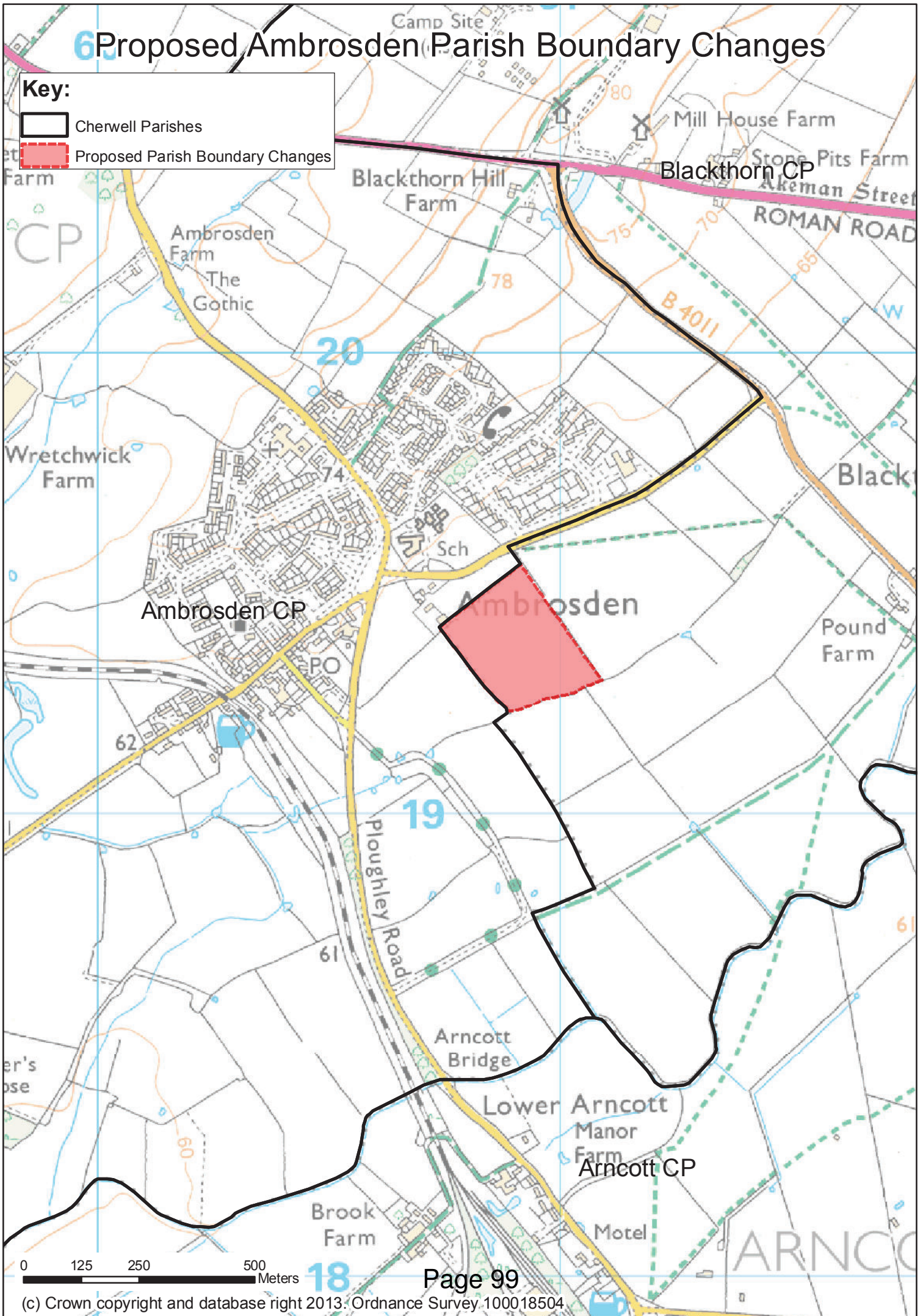
<b>Appendix No</b>	<b>Title</b>
1	Terms of Reference for the Boundary Review Working Group, to be tabled at he meeting
<b>Background Papers</b>	
Full version of responses received from Town and Parish Councils – available in the Members’ Room.	
<b>Report Author</b>	James Doble, Democratic and Elections Manager
<b>Contact Information</b>	01295 221587

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# 6 Proposed Ambrosden Parish Boundary Changes

## Key:

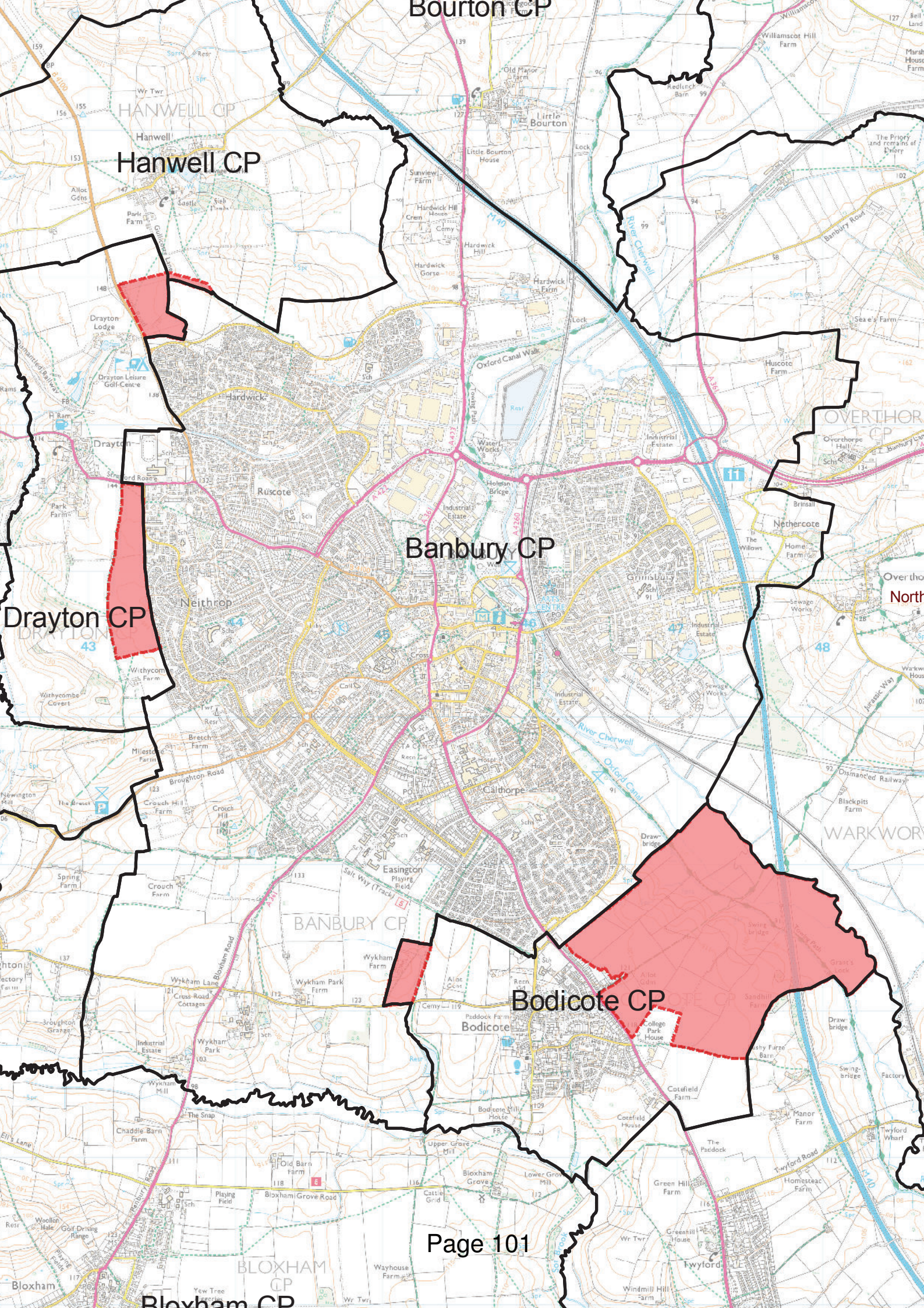
-  Cherwell Parishes
-  Proposed Parish Boundary Changes



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Bourton CP

HANWELL CP  
Hanwell  
**Hanwell CP**

Drayton Lodge  
Drayton Leisure Golf-Centre

**Drayton CP**

**Banbury CP**

**Bodicote CP**

BLOXHAM CP  
**Bloxham CP**





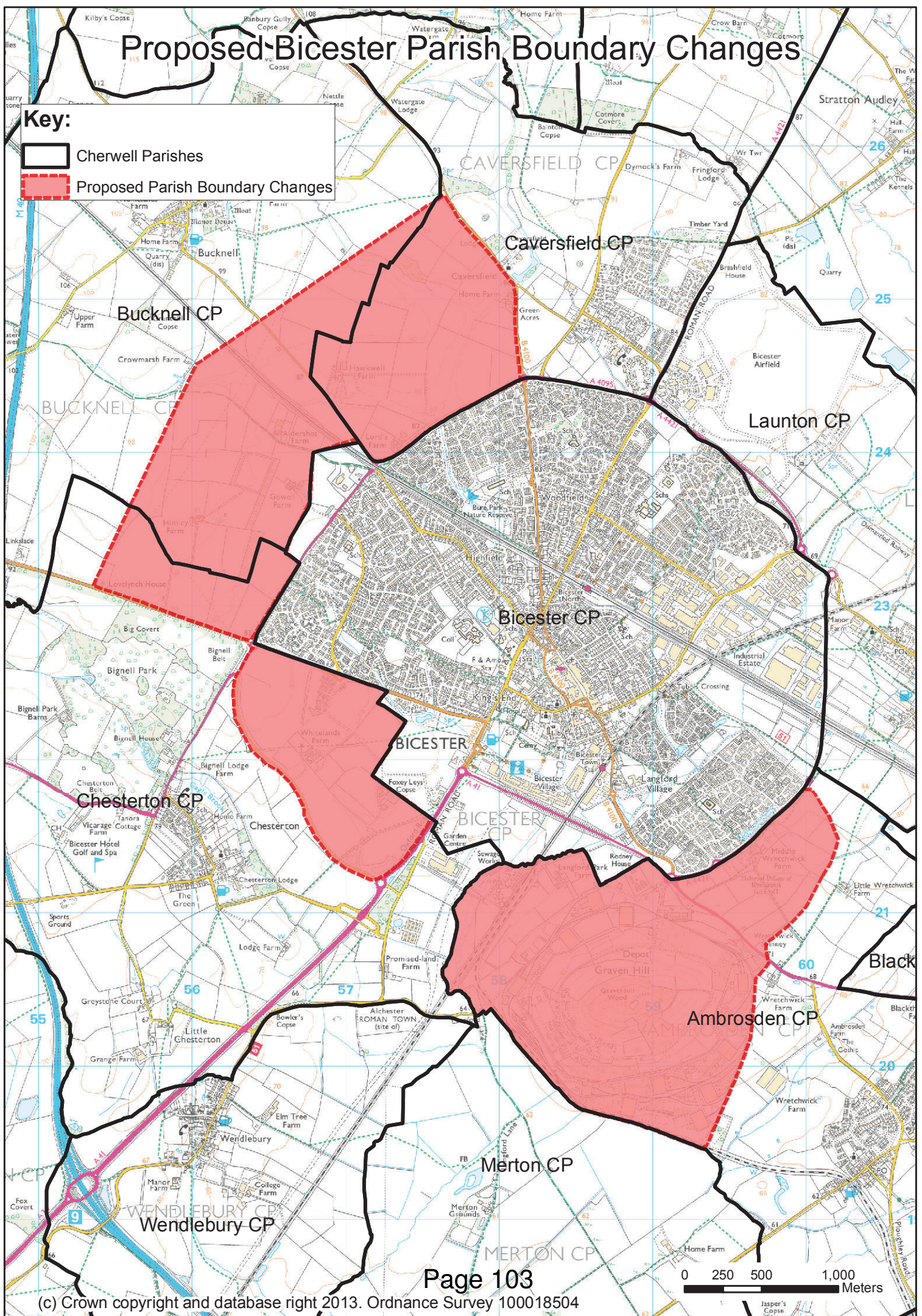
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# Proposed Bicester Parish Boundary Changes

## Key:

-  Cherwell Parishes
-  Proposed Parish Boundary Changes





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