

Meeting of Council

Monday 24 February 2014

Members of Cherwell District Council,

A meeting of Council will be held at Bodicote House, Bodicote, Banbury, OX15 4AA on Monday 24 February 2014 at 6.30 pm, and you are hereby summoned to attend.



Sue Smith
Chief Executive

Friday 14 February
2014

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 (Pages 1 - 2)

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 3 - 8)

To confirm as a correct record the Minutes of Council held on 16 December 2013.

7 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 last meeting one decision had been taken by the Executive which was not included in the 28 day notice: "Transformation Bid Acceptance and Accountable Body Arrangements".

- 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.

8 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).

9 Motions

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

Council Business Reports

10 Members Allowances 2014/15 (Pages 9 - 24)

Report of Head of Law and Governance

Purpose of report

To determine the levels of the allowances to be paid to Members for the forthcoming 2014/2015 financial year following the submission of the report of the Council's Independent Remuneration Panel (IRP)

Recommendations

The meeting is recommended:

- 1.1 To consider the levels of allowances to be included in the 2014/2015 Members' Allowances Scheme, and whether the Panel's recommendations should be adopted or modified in any way
- 1.2 To authorise the Head of Law and Governance to prepare an amended Members' Allowances Scheme, in accordance with the decisions of the Council for implementation with effect from 1 April 2014.
- 1.3 To authorise the Head of Law and Governance to take all necessary action to revoke the current (2013/2014) Scheme and to publicise the revised Scheme pursuant to The Local Authorities (Members' Allowances)(England) Regulations 2003 (as amended).
- 1.4 To thank the Independent Remuneration Panel for its report and set a fee of £300 for Panel Members for the work carried out in 2013/2014 and propose the same level of fee for 2014/2015.

11 Corporate Plan, Revenue and Capital Budgets and Treasury Strategy 2014-15 (Pages 25 - 118)

Report of Director of Resources and Interim Head of Finance and Procurement

Summary

To review the Council's General Fund Budget, Capital Programme, Earmarked Reserves and General Fund Balances to ensure the robustness of the estimates included and to seek formal adoption of all parts of the Council's financial plans and Corporate Plan for the 2014-15 budget year.

Recommendations

The meeting is recommended:

- 1.1 To consider the contents of this report in approving the General Fund Revenue Budget and Capital Programme for 2014-15 and to formally record that consideration.
- 1.2 To approve the 2014-15 General Fund Budget and 2014-15 Capital Programme proposed by the Executive on 3 February 2014 as detailed in Annex 1 amended for the changes to the collection fund and investment income as set out in paragraphs 3.12 and 3.13.
- 1.3 To approve the Collection Fund Estimates contained in Annex 2
- 1.4 To approve the draft 5 year strategy, 2014-15 business plan and public pledges (detailed in Appendices 3, 4 and 5 to Annex 1) and to delegate authority to the Director of Resources in consultation with the Leader of the Council and the Lead Member for Performance and Customers to make any minor amendments to the plan or pledges as required before final publication in March 2014.
- 1.5 To approve the Treasury Management Strategy as detailed in Annex 3.
- 1.6 To approve the appended statement of pay policy for 2014-15 as required by the Localism Act and detailed in Annex 4.
- 1.7 To approve the Business Rates Retail Relief Policy as outlined in paragraphs 3.18 and 3.19 and contained in Annex 5 and the formal resolutions that underpin the policy:
 - 1.7.1 The Council award "Retail Relief" of up to £1,000 to qualifying businesses in occupation of retail premises which have a rateable value of £50,000 or less in accordance with discretionary relief powers (Section 47 of the Local Government Finance Act 1988 (as amended)) for the financial years 1 April 2014 to 31 March 2015 and 1 April 2015 to 31 March 2016.
 - 1.7.2 The business to qualify for the relief must be "retail" as detailed in the Business Rates Retail Relief Policy.
 - 1.7.3 The Council, through the National Non-Domestic Rate Return process, seek full reimbursement of the cost of "retail relief" from Central Government.
- 1.8 To approve the discount and exemptions as follows:
 - 1.8.1 Agree that in respect of properties within Class A and B as defined by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 (furnished chargeable dwellings that are not the sole or a main residence of an individual) the discount provided by Section 11A of the Local Government Finance Act 1992 shall be reduced to zero.
 - 1.8.2 Agree that in respect of properties within Class C as defined by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 (a property that is unoccupied and substantially unfurnished) the discount provided by Section 11A of the said Act

shall be reduced to 25% for a maximum period of six months and thereafter to zero.

- 1.8.3 Agree that in respect of properties within Class D as defined by the said Regulations (chargeable dwellings that are vacant and undergoing major repair work to render them habitable) the discount provided by Section 11A of the said Act shall be reduced to 50% for twelve months and thereafter to zero.

12 **Adjournment of Council Meeting**

The Council to adjourn, if necessary to allow the Executive to meet to consider any proposals which do not accord with the Executive's recommendations.

13 **Calculating the amounts of Council Tax for 2014-2015 and setting the Council Tax for 2014-2015** (Pages 119 - 130)

Report of Chief Finance Officer and Interim Head of Finance and Procurement

Summary

To detail the Calculations for the amounts of Council Tax for 2014-15 and the setting of Council Tax for 2014-2015.

Recommendations

It is recommended that the Council resolves:-

- 1.1 That it be noted that at the Executive meeting held on 6 January 2014 the Council calculated the Council Tax Base 2014-15:
 - a) for the whole Council area as 47,609 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - b) For dwellings in those parts of its area to which a Parish Precept relates as in the attached Appendix 1.
- 1.2 That the Council Tax requirement for the Council's own purposes for 2014-15 (excluding Parish Precepts and Special Expenses) is £123.50.
- 1.3 That the following amounts be calculated for the year 2014-15 in accordance with Sections 31 to 36 of the Act:-
 - a) £69,336,279 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act, taking into account all precepts issued to it by Parish Councils and any additional special expenses.
 - b) £59,526,742 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
 - c) £9,809,537 being the amount by which the aggregate at 8(a) above exceeds the aggregate at 8(b) above, calculated by the Council, in

accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).

- d) £206.04 being the amount at 8(c) above (Item R), all divided by Item T (6(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts and Special Expenses);
- e) £3,929,825 being the aggregate amount of all special items (Parish Precepts and Special Expenses) referred to in Section 34(1) of the Act as per the attached Schedule 2.
- f) £123.50 being the amount at 8(d) above less the result given by dividing the amount at 8(e) above by Item T(6(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept or special item relates;

1.4 It be noted that for the year 2014-15 the Oxfordshire County Council and the Police and Crime Commissioner for Thames Valley have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated below :-

<u>Valuation Band</u>	Oxfordshire County Council £	Police and Crime Commissioner for Thames Valley £
A	805.61	107.01
B	939.87	124.84
C	1,074.14	142.68
D	1,208.41	160.51
E	1,476.95	196.18
F	1,745.48	231.85
G	2,014.02	267.52
H	2,416.82	321.02

1.5 The Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in Appendix 2 as the amounts of Council Tax for the year 2014-15 for each part of its area and for each of the categories of dwellings.

1.6 The Council's basic amount of Council Tax for 2014-15 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

14 Section 113 Arrangements and Shared ICT Service and Systems Policy Framework Decision (Pages 131 - 140)

Report of Chief Executive

Summary

To approve entering into a Section 113 agreement between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire Council and to add the principle of a shared ICT service and associated harmonisation of ICT business applications between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire to the policy framework.

Recommendations

The meeting is recommended:

- 1.1 To approve the entering into an agreement between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire Council pursuant to Section 113 of the Local Government Act 1972 and all other enabling powers so that employees can be placed at the disposal of the other Councils for the purposes of shared working and that the Head of Law and Governance, Cherwell and South Northamptonshire be authorised to complete such agreement in negotiation with the Head of Legal and Democratic Services at Stratford-on-Avon District Council.
- 1.2 To delegate authority to the Chief Executive (Cherwell and South Northamptonshire) to negotiate and approve a protocol – on the respective roles of members and officers and dealing with conflicts of interest in consultation with the Chief Executive (Stratford)
- 1.3 To agree that the principle of shared working between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire Council for the purpose of the proposed shared ICT service and associated harmonisation of ICT business applications be added to the adopted policy framework.

15 Calendar of Meetings 2014/15 and Draft Calendar of Meetings 2015/16 (Pages 141 - 150)

** Please note that appendix 3 to this report will follow as it is currently being reviewed with South Northamptonshire Council and Stratford-On-Avon District Council **

Report of Head of Law and Governance

Purpose of Report

Council is asked to consider the calendar of meetings for the municipal year 2014/15 and the municipal year 2015/16.

Recommendations

The meeting is recommended:

- 1.1 To approve the calendar of meetings for Cherwell District Council (CDC) for the municipal years 2014/15 (Appendix 1) and 2015/16 (Appendix 2).

1.2 To note the joint meetings calendar of meetings (Appendix 3).

16 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.”

17 Questions on Exempt Minutes

Members of Council will ask 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 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, 01295 221587

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Agenda Item 3

CHAIRMAN'S ENGAGEMENTS

17 December 2013 – 24 February 2014

December

- 18 December The Chairman and his wife attended a Christmas 'Singalong' at Saxon Court Sheltered Housing in Bicester.
- 24 December The Chairman and his wife attended a Christmas Coffee Morning at Saxon Court, Bicester.
- 25 December The Chairman and his wife spent part of their Christmas day acting as waiters and serving food to those alone or in need at a lunch organised by the Bicester Food Bank.

January

- 18 January The Chairman and his wife attended a charity Murder Mystery Dinner hosted by the Mayor and Mayoress of Banbury at Banbury Town Hall. The setting was a 1941 Mayor's fund raising dinner in aid of the war effort and the menu reflected the time setting.

February

- 7 February The Vice Chairman attended a Winter Reception at RAF Croughton at the invitation of Col. Angela Cadwell, Commander 501st Combat Support Wing and Col. Charles Hamilton, Commander 422nd Air Base Group. The event gave an opportunity to meet USAF personnel and senior leadership.
- 10 February The Chairman and his wife attended a ceremony at County Hall at the invitation of the Chairman of Oxfordshire and the Lord Lieutenant, where he was presented with the Commonwealth flag to be flown on 10 March (Commonwealth Day).
- 19 February The Chairman and his wife attended the Civic night of the 62nd Oxfordshire Gang Show (performed by Scouts and Guides) which this year was held at Radley College. This was at the invitation of the Lord-Lieutenant of Oxfordshire.
- 19 February The Vice Chairman attended a reception at Blackwell's Bookshop in Oxford on the occasion of the publication of the book 'Churches for Communities' by Becky Payne. This was at the invitation of the Bishop of Dorchester and the Chairman and Trustees of the Oxfordshire Historic Churches Trust.
- 20 February The Chairman and his wife attended Banbury Operatic Society's production of Oliver which was held at the Wykham Theatre, Banbury Academy.

Correct at time of printing.

Reminder: Chairman's Charity Dinner – Saturday 12 April, 2014

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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 16 December 2013 at 6.30 pm

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

Councillor Ken Atack
Councillor Alyas Ahmed
Councillor Andrew Beere
Councillor Maurice Billington
Councillor Fred Blackwell
Councillor Norman Bolster
Councillor Ann Bonner
Councillor Mark Cherry
Councillor Margaret Cullip
Councillor Surinder Dhesi
Councillor John Donaldson
Councillor Diana Edwards
Councillor Tim Emptage
Councillor Andrew Fulljames
Councillor Michael Gibbard
Councillor Alastair Milne Home
Councillor Chris Heath
Councillor David Hughes
Councillor Russell Hurle
Councillor Tony Ilott
Councillor Ray Jelf
Councillor Mike Kerford-Byrnes
Councillor Nicholas Mawer
Councillor Nigel Morris
Councillor Jon O'Neill
Councillor P A O'Sullivan
Councillor D M Pickford
Councillor Lynn Pratt
Councillor Nigel Randall
Councillor G A Reynolds
Councillor Alaric Rose
Councillor Gordon Ross
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

Also

Present: Dr Stephen Richards

Apologies
for
absence: Councillor Colin Clarke
Councillor Timothy Hallchurch MBE
Councillor Simon Holland
Councillor James Macnamara
Councillor Melanie Magee
Councillor Neil Prestidge
Councillor Daniel Sames

Officers: Sue Smith, Chief Executive
Karen Curtin, Director (Bicester)
Ian Davies, Director of Community and Environment
James Doble, Democratic and Elections Manager

48 **Declarations of Interest**

Members declared interests with regard to the following agenda items:

11. Community Governance Review Bicester Town Council.

Councillor D M Pickford, Non Statutory Interest, as member of Bicester Town Council.

49 **Communications**

Member Post

The Chairman reminded members that there would be no member post between Christmas and the New Year.

Chairman's Dinner

The Chairman advised members that his dinner would be held on 12 April 2014.

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

There were no petitions or requests to address the meeting.

51 **Urgent Business**

There were no items of urgent business.

52 **Minutes of Council**

The minutes of the meeting held on 21 October 2013 were agreed as a correct record and signed by the Chairman.

53 **Presentation by Oxfordshire Clinical Commissioning Group - Improving the health of Oxfordshire**

The Chairman welcomed Dr Stephen Richards, Chief Executive, Oxfordshire Clinical Commissioning Group to the meeting.

Dr Richards addressed the meeting regarding a presentation on improving the health of Oxfordshire. A number of Members asked questions and answers were duly provided.

The Chairman thanked Dr Richards for his attendance.

54 **Minutes**

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

Resolved

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

b) **Minutes of Committees**

Resolved

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

55 **Questions**

a) **Written Questions**

There were no written questions.

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

Questions were asked and answers received on the following issues:

Awareness of number of people being turned away by CAB: Councillor Woodcock

Environmental Crime and tidy gardens: Councillor Dhesi

Rough sleepers in the district: Councillor Dhesi

Consideration of Planning representations by the Council: Councillor Dhesi
East Coast Flooding and Emergency Planning: Councillor Beere
Banbury Snow warden scheme: Councillor Mallon

c) Questions to Committee Chairmen on the minutes

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

56 **Motions**

There were no motions.

57 **Community Governance Review Bicester Town Council**

The Chief Executive submitted a report which requested the revocation of a previous Council resolution relating to Bicester Town Council in the light of further submissions received.

Resolved

- (1) That resolution (5) of Minute 30 of Council on 22 July 2013, relating to a proposed increase in the number of Town Councillors for Bicester Town Council be revoked.

58 **Council Tax Reduction Scheme 2014-15**

The Interim Head of Finance and Procurement submitted a report which sought approval of the Council Tax Reduction Scheme for 2014-15.

Resolved

- (1) That the current Council Tax Reduction Scheme (CTRS) for the year 1 April 2014 to 31 March 2015 (annex to the minutes as set out in the minute book) be approved.
- (2) That the Council's Section 151 officer be given delegated authority in consultation with the Lead Member for Financial Management to determine if any further amendments to the CTRS are required by 31 January 2014.

59 **Transformation Bid - Policy Framework and Section 113 Arrangements**

The Chief Executive submitted a report to add the principle of shared working with Stratford-on-Avon District Council to the policy framework and to approve entering into a Section 113 agreement with Stratford-on-Avon District Council and South Northamptonshire Council for the purposes of establishing a Joint Transformation team.

Resolved

- (1) That the principle of shared working with Stratford-on-Avon District Council and South Northamptonshire Council for the purpose of the establishment and working of the proposed Joint Transformation team be added to the adopted policy framework.
- (2) That the Council enters an agreement with Stratford-on-Avon District Council and South Northamptonshire Council pursuant to section 113 of the Local Government Act 1972 and all other enabling powers so that employees can be placed at the disposal of the other Councils for the purpose of the establishment and workings of the proposed Joint Transformation team and that the Head of Law and Governance be authorised to complete such agreement in negotiation with the Head of Legal and Democratic Services at Stratford-on-Avon District Council.

60 **Exclusion of the Press and Public**

Resolved

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

61 **Bicester Community Building**

The Head of Regeneration and Housing submitted an exempt report relating to the Bicester Community Building.

Resolved

- (1) As set out in the exempt minute.

62 **Questions on Exempt Minutes**

There were no questions on exempt minutes.

The meeting ended at 8.12 pm

Chairman:

Date:

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Cherwell District Council

Council

24 February 2014

Members Allowances 2014/2015

Report of Head of Law and Governance

This report is public

Purpose of report

To determine the levels of the allowances to be paid to Members for the forthcoming 2014/2015 financial year following the submission of the report of the Council's Independent Remuneration Panel (IRP)

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider the levels of allowances to be included in the 2014/2015 Members' Allowances Scheme, and whether the Panel's recommendations should be adopted or modified in any way
- 1.2 To authorise the Head of Law and Governance to prepare an amended Members' Allowances Scheme, in accordance with the decisions of the Council for implementation with effect from 1 April 2014.
- 1.3 To authorise the Head of Law and Governance to take all necessary action to revoke the current (2013/2014) Scheme and to publicise the revised Scheme pursuant to The Local Authorities (Members' Allowances)(England) Regulations 2003 (as amended).
- 1.4 To thank the Independent Remuneration Panel for its report and set a fee of £300 for Panel Members for the work carried out in 2013/2014 and propose the same level of fee for 2014/2015.

2.0 Introduction

- 2.1 The Council's Independent Remuneration Panel has met to review the current (2013/2014) Members' Allowances Scheme and its report on the recommended levels of the allowance payments for the 2014/2015 financial year is attached as appendix 1.

2.2 The Council is required to have regard to the Panel's recommendations, but is under no obligation to accept them if they are deemed to be inappropriate. It is open to the Council to revise the levels of the recommended allowance payments for the 2014/2015 (either up or down) as is considered appropriate.

3.0 Report Details

3.1 The Independent Remuneration Panel proposed that:

(a) That the basic allowance be rounded to 12 equal payments of £346 per month.

	2013/14	2014/15
Basic Allowance	£4,155.00 p.a.	£4,152.00 p.a.

(b) The levels of Special Responsibility Allowances be reconfigured to reflect the work and time involved and allowing an increased payment for the Deputy Leader of the Council whose duties and responsibilities outweigh its current recompense.

(c) Alterations should be made to the payment for Appeals Panel which has no definite frequency of assembly. The Panel suggests an allowance of £250 per meeting to be capped at £1000 per annum.

(d) That all allowances should be rounded to ensure 12 equal payments.

(e) That there be a slight reduction in allowance to the Accounts, Audit and Risk, Personnel, Licensing and Standards Committees because of reductions in workload or frequency of meetings.

(f) That there be a slight reduction in allowance to the Overview and Scrutiny and Budget Planning Committees because of the streamlining of their workload.

(g) That the following rates should apply for the financial year 2014/2015

	2013/14	2014/15
Leader of the Council	£7,209.00 p.a.	£7,212.00 p.a.
Executive Members Holding a Portfolio	£6,291.00 p.a.	£6,300.00 p.a.
Chairman of the Overview and Scrutiny Committee	£3,702.00 p.a.	£3,504.00 p.a.
Chairman of Budget Planning Committee	£3,702.00 p.a.	£3,504.00 p.a.
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Chairman of the Planning Committee	£4,200.00 p.a.	£4,200.00 p.a.
Chairman of the Accounts, Audit and Risk Committee	£2,250.00 p.a.	£1,800.00 p.a.
Chairman of the Personnel Committee	£1,104.00 p.a.	£1,008.00 p.a.
Chairman of the Licensing Committee	£1,104.00 p.a.	£1,008.00 p.a.
Chairman of the Standards Committee	£1,104.00 p.a.	£1,008.00 p.a.
Chairman of the Appeals Panel	£1,104.00 p.a.	£250 per meeting to a capped limit of £1000 pa
Leader of the Opposition	£2,898.00 p.a.	£2,904.00 p.a.
Deputy Leader of the Council	£1,104.00 p.a.	£2, 484.00 p.a.

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

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

(b) that there be: no increase in Travelling and Subsistence Allowances; withdrawal of the Tea Allowance; and an alternative procedure for booking overnight accommodation.

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

Breakfast Allowance	£6.02 per meal
Lunch Allowance	£8.31 per meal

Evening Meal Allowance	£10.29 per meal
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4.0 Conclusion and Reasons for Recommendations

4.1 It is the view of the IRP that the proposals represent realistic and fair levels of allowance for 2014/2015 and recommend adoption.

5.0 Consultation

Details set out in appendix 1, Panels Report.

6.0 Alternative Options and Reasons for Rejection

5.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To accept the Panel's recommendations

Option 2: To modify the Panel's recommendations

7.0 Implications

Financial and Resource Implications

Provision has been included in the draft 2014/2015 budget for Members' Allowances. There are principally two options available in terms of setting the levels of the allowances for the forthcoming financial year as follows:

- (1) to adopt the recommendations of the IRP. The full cost can be accommodated within the draft budget as mentioned above; or
- (2) to alter the levels of the allowances over and above those recommended by the IRP, although this would increase the provision included in the draft budget.

Comments checked by: Kelly Wheeler M.A.A.T, Interim Service Accountant for Resources. 01327 322230

Kelly.wheeler@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 It is a legal requirement of the Council to consider the recommendations of the Independent Remuneration Panel before setting the level of allowances.

Comments checked by:

Kevin Lane, Head of Law and Governance – 0300 0030107

Wards Affected

All

Links to Corporate Plan and Policy Framework

Value for Money Cherwell

Lead Councillor

None

Document Information

Appendix No	Title
1	Report of the Independent and Parish Remuneration Panel on the Review of Members' Allowances for the 2014/2015 Financial Year
Background Papers	
None	
Report Author	Lesley Farrell, Assistant Democratic and Elections Officer
Contact Information	01295 221591 Lesley.farrell@cherwellandsouthnorthants.gov.uk

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DISTRICT COUNCIL
NORTH OXFORDSHIRE

Report
of the Independent and Parish
Remuneration Panel
on the Review of Members' Allowances for the
2014/2015 Financial Year

For

Cherwell District Council

December 2013

CHERWELL DISTRICT COUNCIL

REPORT OF THE INDEPENDENT AND PARISH REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES FOR THE 2014/2015 FINANCIAL YEAR

1 Introduction

- 1.1 After considering the recommendations of this Panel, Cherwell District Council introduced a revised Scheme of Members' Allowances from 1 April 2013. This Scheme has remained in force throughout the 2013/14 financial year.
- 1.2 This report has been prepared in accordance with the provisions of the Local Authorities (Members' Allowances) (England) Regulations 2003 (as amended). It outlines the Panel's findings following a review of the District Council's current Allowance Scheme and its recommendations for 2014/15 in respect of:
- (a) the levels of basic and special responsibility allowances;
 - (b) the travelling, subsistence and dependent carers' allowances; and
 - (c) co-optees allowance.

2 The Independent Remuneration Panel

- 2.1 The Independent Remuneration Panel was first appointed in 2001.
- 2.2 The current membership of the Panel is:
- Ms Jeanette Baker
Mr Ray Everitt
Mr Jim Flux MBE
Mr David Shelmerdine
Mr Christopher White
- 2.3 James Doble (Democratic and Elections Manager) and Lesley Farrell (Assistant Democratic and Elections Officer) provided the Panel with administrative advice and support.
- 2.4 At its meeting on 3 December 2013, Mr. David Shelmerdine was appointed as Chairman of the Panel for the 2013/2014 Municipal Year.

Mr Ray Everitt and Mr Christopher White sent their apologies.

- 2.5 The Panel's findings are set out in this report, together with recommendations for consideration by Council.

3 Terms of Reference of the Panel

- 3.1 The Panel's terms of reference as originally agreed by the Council when it was first constituted (as amended by the 2003 Consolidating Regulations which relate to the determination of local schemes for travelling and subsistence allowances) are outlined in its reports dated 3 July 2001 and 4 July 2003.

- 3.2 The principal matters on which the Panel can make recommendations are:

- (a) the amount of basic allowance to be paid to all Members of the Council;
- (b) the Council member posts which should qualify, as they involve significant additional responsibilities, for Special Responsibility Allowance payments and the levels of those allowances;
- (c) the appropriateness, and the amounts to be paid in respect of the childcare and dependent carers' allowances;
- (d) the levels, and appropriateness, of travelling and subsistence allowances; and
- (e) the amount of the co-optees and independent persons (Standards) allowance to be paid.

4 The Panel's Adopted Approach

- 4.1 Since 2001, the Panel's approach has been that recommendations should be formulated appropriate to the circumstances of the Council, recognising that the roles of Executive and Non-Executive Members are now well-established.

- 4.2 The following underlying principles continue to form the fundamental basis of the Panel's review process:

- (a) the allowances should take account, as far as possible, of the amount of time taken by Members to fulfil their roles.
- (b) the scheme should ensure, as far as practical, that as wide a range of people as possible should be able to stand for election and that they should not be financially penalised in so doing. This, in turn, should increase the likelihood of an inclusive approach to Council services:
- (c) the levels of the allowances should not be treated as salary but rather as a level of 'compensation';
- (d) the reviewed scheme should take account of the payments included in the current scheme and any increases which might be

recommended should be balanced against the interests of the Council Tax Payers in the District, although we accept that the Council must consider the political implications of the levels of the allowances open to it to pay;

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

5 The Work of the Panel

- 5.1 The Panel has previously determined the underlying principles on which the levels of Members allowances should be based, as outlined above.
- 5.2 The Panel's approach required an assessment of the amount of time Councillors commit to their duties and their associated workloads in the context of the identified special responsibilities for Lead Members and Committee Chairmen.
- 5.3 The conclusions drawn by the Panel are informed by comparative data drawn from the allowances paid by other local authorities and an analysis of the results of an 'Activity Questionnaire' that Members are requested to complete every year.
- 5.4 The purpose of the 'Activity Questionnaire' is to determine:
 - (a) the amount of time Members estimate they spend on Council business during an average month;
 - (b) Members views on the adequacy, or otherwise, of the Current levels of Members' Allowances at the Council; and
 - (c) whether Members would like to address the Panel in person.
- 5.5 As part of its review, the Panel considered the following information:
 - (a) a copy of the Council's Allowances Scheme for 2013/14;
 - (b) comparative data from the Members' Allowances survey undertaken by the South East Employers Organisation which outlines the basic, special responsibility and other allowance

payments made by Council's in the South East Region; and

- (c) a summary of Members responses to the 'Activity Questionnaire'.
- (d) The general economic climate.
- (e) The overall financial position of the Council.
- (f) The level of recent and anticipated pay awards for Council staff and management.
- (g) Any recent changes in the roles, responsibilities and workload of specific member posts.

In particular, the Panel considered that there should be no overall increase in the total budget for Council allowances in 2014/15 compared with 2013/14.

- 5.6 The Panel continues to place great importance on the information gathered by way of the 'Activity Questionnaire'. As previously, the activity questionnaire was circulated to all Members of the Council but a total of only 18 completed questionnaires were returned, representing 36% of its membership, which is a disappointing percentage.
- 5.7 The results of the activity questionnaire remain the main source of information for its deliberations. Clearly, it was challenging for the Panel to accurately assess the attitude of Members to existing allowances in the light of this low response.
- 5.8 However, the Panel proposes to repeat this exercise again next year as it firmly believes that the information requested is vital to its efforts in undertaking proper and meaningful reviews. The Panel hopes that next year will result in a greater number of responses from Councillors to inform its work.
- 5.9 At its meeting, the Panel received personal representations from Councillor Kieran Mallon, Councillor Dan Sames, Councillor Alastair Milne Home and Councillor Barry Wood. Councillor Sean Woodcock also agreed to address the panel but unfortunately was unable to attend due to other commitments but was able to supply a written statement. The Panel offered thanks to these Councillors. Their contribution was much appreciated.
- 5.10 The Panel noted that those Members who responded to the activity questionnaire continued to show a great variation in the estimates of the time they spend on their roles as Councillors, ranging from 8 to 50 hours per week.
- 5.11 The Panel noted that those Members who responded spent an average of 78 hours per month on council duties, which was 11 hours more than last year.
- 5.12 Other conclusions arising from the questionnaires were that:
 - (a) 65% of respondents explicitly stated that no changes should be

made to the level of Members allowances and expenses for 2014/15.

- (b) 22% of respondents proposed varying increases in the level of Members allowances and expenses for 2014/15.
- (c) On a scale of 1 (very generous) to 4 (totally inadequate), the majority of respondents (59%) rated the basic allowance as a '2'.
- (d) On the same scale of 1 to 4, the majority of respondents (53%) rated the special responsibility allowance as a '2'.
- (e) On the same scale of 1 to 4, 44% of respondents rated the level of travel and subsistence allowances as a '2' while 35% rated at 1.

6 Basic Allowance

- 6.1 The Panel was requested to review the current level of the Basic Allowance.
- 6.2 Since the Council moved to its Local Pay Formula, the Panel had used the annual pay settlement for staff as one of the main criteria for adjusting the levels of the basic and special responsibility allowances paid.
- 6.3 The Council and Unison entered into a collective agreement which set out the local pay award for 2013/2014 at 1.5%. The Joint Management Team/Middle Managers have a separate agreement and for 2013/2014 the pay award was 1%.
- 6.4 The Panel received comparative data from a significant number of authorities and noted that the basic allowance payable to Council Members was comparable to the allowances paid by neighbouring authorities in the South East region.

7 Special Responsibility Allowances

- 7.1 The Panel was requested to review the current level of Special Responsibility Allowances
- 7.2 The Panel heard that given the similar nature of the work it would appear reasonable that the allowance for the Budget Planning Committee reflect that of the Overview and Scrutiny Committee.
- 7.4 The Panel was requested to review the Allowance of the Deputy Leader of the Council whose responsibilities appeared to outweigh the remuneration.
- 7.5 The Panel were informed that the Appeals Panel had no definite frequency of assembly.

8 Travelling and Subsistence Allowances

- 8.1 The Panel was requested to review the current level of Travelling and Subsistence Allowances.
- 8.2 The Panel noted that all travel rates are set at the specified HM Revenues and Customs rates and consequently had no implications for the tax liabilities of Members. Travel rates for motorcycles and motor vehicles are paid regardless of the cc of motor cycle or motor vehicle concerned.
- 8.3 In relation to Subsistence Allowances, the Panel previously agreed that allowances should be paid up to the maximum rates notified by the National Joint Council for Officers index linked to the Retail Prices Index (excluding mortgages).
- 8.4 However, the National Joint Council for Officers ceased to produce nationally agreed subsistence rate for local government staff in 1996.
- 8.5 Since that time, subsistence rates have been a subject for local determination and the Council has based its rates on Local Government Association rates.
- 8.6 The Panel was asked to consider removing the Tea Allowance as it was little used and no longer relevant.
- 8.7 The Panel was asked to review the overnight accommodation allowance. The Panel noted that it was more economical for overnight accommodation to be booked via Democratic Services on a corporate level where discounts could be applied and therefore this allowance was seldom claimed.

9 Recommendations to Council

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

- (a) That the basic allowance be rounded to 12 equal payments of £346 per month.

	2013/14	2014/15
Basic Allowance	£4,155.00 p.a.	£4,152.00 p.a.

- (b) The levels of Special Responsibility Allowances be reconfigured to reflect the work and time involved and allowing an increased payment for the Deputy Leader of the Council whose duties and responsibilities outweigh its current recompense.
- (c) Alterations should be made to the payment for Appeals Panel which has no definite frequency of assembly. The Panel suggests an allowance of £250 per meeting to be capped at £1000 per annum.

- (d) That all allowances should be rounded to ensure 12 equal payments.
- (e) That there be a slight reduction in allowance to the Accounts, Audit and Risk, Personnel, Licensing and Standards Committees because of reductions in workload or frequency of meetings.
- (f) That there be a slight reduction in allowance to the Overview and Scrutiny and Budget Planning Committees because of the streamlining of their workload.
- (g) That the following rates should apply for the financial year 2014/15.

	2013/14	2014/15
Leader of the Council	£7,209.00 p.a.	£7,212.00 p.a.
Executive Members Holding a Portfolio	£6,291.00 p.a.	£6,300.00 p.a.
Chairman of the Overview and Scrutiny Committee	£3,702.00 p.a.	£3,504.00 p.a.
Chairman of Budget Planning Committee	£3,702.00 p.a.	£3,504.00 p.a.
Chairman of the Planning Committee	£4,200.00 p.a.	£4,200.00 p.a.
Chairman of the Accounts, Audit and Risk Committee	£2,250.00 p.a.	£1,800.00 p.a.
Chairman of the Personnel Committee	£1,104.00 p.a.	£1,008.00 p.a.
Chairman of the Licensing Committee	£1,104.00 p.a.	£1,008.00 p.a.
Chairman of the Standards Committee	£1,104.00 p.a.	£1,008.00 p.a.
Chairman of the Appeals Panel	£1,104.00 p.a.	£250 per meeting to a capped limit of £1000 pa
Leader of the Opposition	£2,898.00 p.a.	£2,904.00 p.a.
Deputy Leader of the Council	£1,104.00 p.a.	£2,484.00 p.a.

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

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

(i) there be: no increase in Travelling and Subsistence Allowances; withdrawal of the Tea Allowance; and an alternative procedure for booking overnight accommodation.

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

Breakfast Allowance	£6.02 per meal
Lunch Allowance	£8.31 per meal
Evening Meal Allowance	£10.29 per meal

10 Findings of the Panel

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

- (a) an increase in allowances and expenses other than those set out previously in this report could not be justified in the current challenging financial climate, particularly as there had not been any change in Council structures since the last review and joint working with South Northamptonshire Council had not significantly increased the workload of Members.
- (b) whilst appreciating that the level of commitment between Members varied, the workload and commitment of Councillors was considerable and, in some

instances, almost equivalent to a full-time role.

- (c) the increasing complexity, responsibilities and burden of local government made it imperative to recruit able Councillors, but the absence of a national baseline for Members remuneration did not help efforts to attract candidates in the local community with the professional qualities needed for the role.
- (d) as local government became increasingly business-like, levels of remuneration needed to reflect the time, effort and expertise required of Councillors, otherwise it will continue to prove difficult to attract quality candidates to the role, resulting in negative implications for local democracy.

Mr David Shelmerdine
Chairman
Independent Remuneration Panel
December 2013

Cherwell District Council

Council

24 February 2014

<p>Corporate Plan, Revenue and Capital Budgets and Treasury Strategy 2014-15</p>

**Report of the Director of Resources and
the Interim Head of Finance and Procurement**

This report is public

Purpose of report

To review the Council's General Fund Budget, Capital Programme, Earmarked Reserves and General Fund Balances to ensure the robustness of the estimates included and to seek formal adoption of all parts of the Council's financial plans and Corporate Plan for the 2014-15 budget year.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider the contents of this report in approving the General Fund Revenue Budget and Capital Programme for 2014-15 and to formally record that consideration.
- 1.2 To approve the 2014-15 General Fund Budget and 2014-15 Capital Programme proposed by the Executive on 3 February 2014 as detailed in Annex 1 amended for the changes to the collection fund and investment income as set out in paragraphs 3.12 and 3.13.
- 1.3 To approve the Collection Fund Estimates contained in Annex 2
- 1.4 To approve the draft 5 year strategy, 2014-15 business plan and public pledges (detailed in Appendices 3, 4 and 5 to Annex 1) and to delegate authority to the Director of Resources in consultation with the Leader of the Council and the Lead Member for Performance and Customers to make any minor amendments to the plan or pledges as required before final publication in March 2014.
- 1.5 To approve the Treasury Management Strategy as detailed in Annex 3.

- 1.6 To approve the appended statement of pay policy for 2014-15 as required by the Localism Act and detailed in Annex 4.
- 1.7 To approve the Business Rates Retail Relief Policy as outlined in paragraphs 3.18 and 3.19 and contained in Annex 5 and the formal resolutions that underpin the policy:
 - 1.7.1 The Council award “Retail Relief” of up to £1,000 to qualifying businesses in occupation of retail premises which have a rateable value of £50,000 or less in accordance with discretionary relief powers (Section 47 of the Local Government Finance Act 1988 (as amended)) for the financial years 1 April 2014 to 31 March 2015 and 1 April 2015 to 31 March 2016.
 - 1.7.2 The business to qualify for the relief must be “retail” as detailed in the Business Rates Retail Relief Policy.
 - 1.7.3 The Council, through the National Non-Domestic Rate Return process, seek full reimbursement of the cost of “retail relief” from Central Government.
- 1.8 To approve the discount and exemptions as follows:
 - 1.8.1 Agree that in respect of properties within Class A and B as defined by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 (furnished chargeable dwellings that are not the sole or a main residence of an individual) the discount provided by Section 11A of the Local Government Finance Act 1992 shall be reduced to zero.
 - 1.8.2 Agree that in respect of properties within Class C as defined by the Council Tax (Prescribed Classes of Dwellings) (England) (Amendment) Regulations 2012 (a property that is unoccupied and substantially unfurnished) the discount provided by Section 11A of the said Act shall be reduced to 25% for a maximum period of six months and thereafter to zero.
 - 1.8.3 Agree that in respect of properties within Class D as defined by the said Regulations (chargeable dwellings that are vacant and undergoing major repair work to render them habitable) the discount provided by Section 11A of the said Act shall be reduced to 50% for twelve months and thereafter to zero.

2.0 Introduction

- 2.1 Section 25 of The Local Government Act 2003 includes a specific personal duty on the Chief Financial Officer (“CFO”) to make a report to the authority when it is considering its budget and Council Tax. Also, Section 26 of the Act gives the Secretary of State power to set minimum level of reserves for which an authority must provide in setting its budget. The legislation says that “the provisions are a fallback against the circumstances in which an authority does not act prudently, disregards the advice of its CFO and is heading for serious financial difficulty”.
- 2.2 The Local Government Finance Act 1992 also requires that authorities have regard to the level of reserves needed for meeting estimated future expenditure when calculating the next year’s budget requirement.

- 2.3 There are also a range of safeguards to ensure authorities do not over-commit themselves financially. These include:
- The CFO 'S114' powers, which require a report to all members of the authority if there is or is likely to be unlawful expenditure or an unbalanced budget
 - The Prudential Code which applied to capital financing from 2004-05.
- 2.4 Under Section 25 of the Local Government Act 2003, the Council's Chief Financial Officer is required to report to the Council on:
- The robustness of the estimates included within the budget
 - The adequacy of the reserves and balances
- 2.5 Under the Act, Members must have regard to the contents of this report when making their decisions on the budget.
- 2.6 It is proposed that Members consider the contents of this report when making their decisions on the Council's budgets at this meeting.
- 2.7 The conclusion is that the processes followed have been generally sound and similar to those that have produced robust estimates in the past. In the light of information made available during the budget process, there is sufficient capacity in the proposed budget and available reserves and balances to cope with the financial risks the Authority faces in 2014-15.

3.0 Report Details

Five Year Business Strategy, 14/15 Business Plan, performance pledges and service plans

- 3.1 **Annex 1 appendix 3** sets out the high level priorities for the Council's five year strategy. These inform the council's annual business plan and budget which in turn inform operational service plans.
- 3.2 **Annex 1 appendix 4** sets out the council's objectives for 2014-15 and **Annex 1 appendix 5** the council's performance pledges. The business plan and performance pledges form the basis of the council's performance management framework and progress will be reported quarterly.
- 3.3 After the budget, five year strategy and plan have been agreed they will be published as formal documents and will be available from March 2014.

Budget Process 2014-15

- 3.4 The budget for 2014-15 includes the fourth year of the major cut in government Revenue Support Grant outlined in the 2010 Comprehensive Spending Review (CSR10). The reduction in grant funding equates to £1,149,000 - a drop of 13.7%. Preparation for both this impact and the future uncertainty of funding began in September 2013 through the search for efficiencies and the opportunities for continued joint working with South Northamptonshire Council and others.

- 3.5 The budget process formally began with the Executive agreeing Budget Guidelines at their meeting on 7 October 2013. These guidelines included the decision that any service growth should be self-funding via efficiencies and that the council tax should not be increased.
- 3.6 For a number of years the Council's budget process has included consultation with the stakeholders of Cherwell to find out which services were most important to residents and others and what they thought spending and savings priorities should be in the coming budget year. The current budget process has continued this trend by seeking the views of the general public, the business community, the voluntary sector and other key partners on issues such as the most important services to spend on, where to decrease spending and the level the council tax should be set at.
- 3.7 The Joint Management Team received regular updates on the overall budget position from September 2013 through to January 2014 and managed the overall process. The Executive received regular reports detailing the service and financial planning process. The first draft of the revenue and capital budget proposals were reported on 2 December 2013, and the second and final proposals on 3 February 2014. All reports outlining the latest position regarding efficiencies identified and remaining sums required to balance the budget.
- 3.8 The Budget Planning Committee reviewed a number of components of the 2014-15 budget. These focussed primarily on the proposed capital project schemes. This work was carried out from October 2013 until January 2014. The recommendations of this committee were taken to the Executive for consideration on 3 February 2014 and these were included in the final budget proposal. The Executive concluded its budget deliberations on 3 February 2014 and has now recommended a budget to the Full Council.

Table One, General Fund Revenue Budget, is on the next page

Table 1: General Fund Revenue Budget	Budget	Proposed Budget	Movement
	2013-14	2014-15	
Net Expenditure	£15,365,552	£15,812,753	£447,201
Capital Charges Reversed	-£3,323,392	-£3,341,264	£17,872
Net Expenditure Services	£12,042,160	£12,471,489	£429,329
Centrally Controlled Items	£1,831,956	£1,919,054	£87,098
Net Budget Requirement	£13,874,116	£14,390,543	£516,427
Funding			
Investment Income	£150,581	£49,190	£101,391
Government Grant	£7,210,000	£6,398,000	-£812,000
Council Tax Compensation Grant <small>(now in above)</small>	£155,415	£0	-£155,415
Collection Fund	£100,000	£232,640	£132,640
New Homes Bonus	£0	£1,013,000	£1,013,000
Retained Business Rates	£0	£400,000	£400,000
Council Tax	£5,763,992	£5,879,712	£115,720
Council Tax Support Grant	£494,128	£418,000	-£76,128
Proposed Budget	£13,874,116	£14,390,543	£516,426
Shortfall / surplus		£0	£0
% Change			3.7%
Council Tax			
Number band D equivalents	46,672	47,609	
2014-15 Cost of Band D equivalent	£123.50	£123.50	
2013-14 Cost of Band D equivalent	£123.50	£123.50	
	£5,763,992	£5,879,712	

- 3.9 The budget will form the financial expression of the Council's service delivery plans for 2014-15; the allocation of resources against agreed service priorities is necessary in order to achieve its strategic priorities.
- 3.10 The current economic climate presents unprecedented challenges in meeting spending priorities without placing undue burden on local taxpayers. The Council's successful approach to improving value for money and securing efficiencies on an ongoing basis provides a solid foundation.
- 3.11 The level of council tax being proposed is £123.50 pa at Band D and this is in line with Council commitment of a zero increase in 2014-15. This is the fifth year that Council Tax has been frozen. This compares to a CPI rate at December 2013 of 2.0% and RPI of 2.7%.

Windfall Income

- 3.12 The Council's strategy to reduce reliance on investment income means that only £49,000 has been used in the revenue budget. Forecasts show that we will achieve closer to £328,000 in 2014-15 and any surplus will be treated as windfall and can be used to replenish capital and revenue reserves in line with the existing strategy.

- 3.13 The Collection Fund estimates have been finalised and are detailed in **Annex 2** - the budget assumes a £232,640 surplus and this is included in the funding. The statutory deadline for producing this information is 15 January 2014 and the statutory calculation is slightly higher than that estimate reported to Executive on 3 February (£209,830).
- 3.14 The surplus is currently projected to be higher but at this stage any surplus income in excess of £232,640 will be treated as windfall and will be used to offset any negative impact on collection rates as a result of the change from council tax benefit to a council tax reduction scheme.
- 3.15 The level of council tax being proposed is £123.50 pa at Band D and this is in line with Council commitment of a zero increase. Should the proposal of a zero % increase be adopted the Council will also receive £63,000 in an additional Compensation Freeze grant for 2014-15 and 2015-16. Although this will be a separate grant in 2014-15, for 2015-16 it will be subsumed into the general government grant for the Council and will lose its separate identity.
- 3.16 The Government has committed to New Homes Bonus grant until 2015, but the position from 2013-14 is that it is no longer additional funds and is being funded from formula grant funding. It therefore has a redistributive effect, rather than being seen as additional funding. Therefore the 2014-15 budget has been prepared using £1,013,000 of New Homes Bonus monies. This is in line with the Council's medium term financial strategy to include 50% of New Homes Bonus funding to support the revenue budget.
- 3.17 Business Rate Growth – the council is likely to generate growth above its set baseline and based on the localisation scheme could retain some of this locally. At this stage we have built in £400,000 for the 2014-15 budget. This will be considered in more detail in the development of the Medium Term Financial Strategy.
- 3.18 The government has unveiled a number of initiatives which will impact on the level of business rates income received by the council. They have committed to funding this loss of income through what is known as a Section 31 grant. Details of this grant are emerging and it is anticipated that this grant will be received in 2013-14 and 2014-15 and could be substantial. This will be considered in more detail in the Medium Term Financial Strategy.
- 3.19 As referred to in the Executive report, there is a further income stream in business rates as a result of the decision to pool. Given the uncertainty around this income stream, this too will be treated as windfall income until there is more clarity and better forecasting can be applied to the income stream.
- 3.20 Business Rate Retail Relief policy - the Government announced in the Autumn Statement on 5 December 2013 that it will provide relief of up to £1,000 to all occupied retail premises with a rateable value of £50,000 or less in each of the 2014-2015 and 2015-2016 financial years.
- 3.21 The Council currently makes awards in accordance with Section 47 of the Local Government Finance Act 1988 (as amended) to grant relief. In order to adopt the "retail relief" scheme members will be required to adopt a local scheme and decide in each individual case when to grant "retail relief". This policy is contained in

Annex 5. The costs of the scheme for 2014-15 will be funded from central government.

- 3.22 The Medium Term Financial Strategy will be modelled on a number of scenarios and be presented to the Executive in June 2014. The Council's has a strong track record and commitment to delivering efficiencies resulting in a 39% reduction in net expenditure of services since 2007-08 when the net revenue budget stood at £23.5m compared to £14.4m in 2014-15. This together with the continued joint working with South Northamptonshire Council strengthens our position to meet the forecast challenges of future years.

Capital Programme 2014-15

- 3.23 This capital programme budget is detailed in **Annex 1 Appendix 3** and summarised below.

	Total Scheme Cost	2014-15 Profile
Proposed additions to the capital programme	£3,863,848	£3,396,589
Schemes slipped from 2013-14	£5,049,000	£5,049,000
Future schemes agreed prior to 2014-15 budget setting	£8,120,000	£8,120,000
Total Capital Programme to be Financed	£17,032,848	£16,565,589
Financed by:		
Capital Receipts	£12,910,236	£12,442,977
External Funding		
<i>£389k per annum Government Grant Funding towards Mandatory Disabled Facilities Grants</i>	£389,279	£389,279
<i>Bicester Community Building External Funding</i>	£900,000	£900,000
Previously committed capital receipts		
<i>SW Bicester Sports Village Fund</i>	£500,000	£500,000
<i>Housing Reserves</i>	£2,333,333	£2,333,333
	£17,032,848	£16,565,589

- 3.24 The level of capital receipts is falling and this will be considered in the refresh of the MTFS.

Guidance on Evaluation of Estimates

- 3.25 The Local Government Act 2003 does not provide any specific guidance on how to evaluate the robustness of the estimates. The explanatory notes to the Act do,

however, stress that decisions on the appropriate level of reserves should not be based on a rule of thumb, but on an assessment of all the circumstances considered likely to affect the authority. In addition reference is also made to the CIPFA (The Chartered Institute of Public Finance and Accountancy) guidance on reserves and balances.

3.26 The CIPFA guidance states that the following factors should be taken into account when the CFO considers the overall level of reserves and balances:

- assumptions regarding inflation
- estimates of the level and timing of capital receipts
- treatment of demand led budgets (i.e. budgets where expenditure or income are to some extent beyond the Council's control)
- treatment of efficiencies
- risks inherent in any new partnerships etc
- financial standing of the authority (level of borrowing, debt outstanding etc)
- the authority's track record in budget management (including the robustness of the Medium Term Financial Strategy)
- the authority's capacity to manage in-year budget pressures
- the authority's virement and year-end procedures in relation to under- and over- spends
- the adequacy of insurance arrangements.

3.27 The above issues are also of relevance when evaluating the robustness of the budget.

Reserves

3.28 The rationale for each of the Council's reserves and the level required in each has been reviewed by the Lead Member for Financial Management, the Director of Resources and the Head of Finance & Procurement. The reserves are considered to be both necessary and at adequate levels.

3.29 Reserves can be held for three main purposes:

- general reserves to meet the potential costs of emergencies or unexpected events, including a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing.
- earmarked reserves to meet known or predicted liabilities over a period of time usually of more than one year. These earmarked reserves protect the Council against specific financial risks and this is a factor to be taken into account when assessing the adequacy of the totality of balances and reserves and the level of the General Fund Balance.
- a contingency to meet the costs of events that are possible but whose occurrence is not certain – this also forms part of general reserves. For the financial year 2013/14 the Council will have general and specific Contingency Risk Reserves to deal with any increased demand on Council services, additional costs such as fuel cost rises or falls in income from fees and charges.

3.30 These reserves are in the region of £11m but will be subject to change as a result of year-end adjustments and formulating the statutory accounts.

Strategic Budget Issues to Evaluate for Robustness

Inflationary Pressures

- 3.31 The approved budget guidelines recommended the inclusion of 2.7% inflation to be incorporated within expenditure budgets (non-employee – see below), however managers were advised to only build in contractually unavoidable inflation increases as far as possible, in spite of relatively high levels of inflation being experienced currently. This helped force through the achievement of efficiency savings at a very detailed level to balance the budget overall. This approach is underpinned by a Contingency Risk Reserve to cope with any return of unbudgeted inflationary pressures.
- 3.32 A local agreement with staff was agreed for a 1.25% pay award payable from 1 April 2014. This has been built into the base budget for 2014-15.
- 3.33 The Localism Act obliges the Council to approve a statement of pay policy for 2014-15 by 31 March 2014. This is an annual requirement. The Act prescribes the mandatory components of this document and these are contained in the statement of policy contained at **Annex 4**. It should be noted that a shared policy statement has been created with South Northamptonshire Council given the fact that the Joint Management Team is on the same terms and conditions. Where there are differences in policy between the two Councils these are highlighted in the statement.

Capital Programme Revenue Effects and Financing

- 3.34 The revenue budget includes all revenue effects of capital schemes. Assumptions of new capital receipts in 2014-15 are based on realistic estimates received from the relevant officers in the Council.

Treatment of demand-led pressures and efficiencies

- 3.35 Particular care has been taken in compiling the key Council budgets which are often described as 'demand led' because their achievement is to some degree outside the Council's control. These types of budgets, including spending on housing benefits and receipt of income from planning applications, land charges, car parking charges and interest on the Council's cash and financial reserve management are likely to contribute significantly to any overall variation of actual achievement against budgets. Some of these budgets could be affected by the prevailing economic climate and in all cases a prudent approach has been adopted in the estimates prepared.

Efficiencies

- 3.36 The 2014-15 net revenue budget has incorporated net budget reductions of £0.6m, as detailed in **Annex 1**.
- 3.37 Each of the efficiency proposals was evaluated for feasibility of achievement and found to be realistic. Each expenditure efficiency has been removed from the relevant budget and each agreed increase in income added to the relevant budget.
- 3.38 Both expenditure and income efficiencies will be profiled on the Council's Financial Management System to make it clear that efficiencies are expected to be realised from the agreed date. Prior to the commencement of the financial year 2014-15 officers responsible for these services and the associated budget reductions or

additional income will be reminded of the need to achieve the figures put forward within the agreed timescales. Monthly financial information will then be provided to help monitor progress, and any significant variations will be reported to both the Joint Management Team and the Executive. These reports will contain proposals for corrective action where necessary.

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

Capacity to Manage in-year Budget Pressures

- 3.40 The Council has a record of maintaining good financial and budgetary discipline in the face of mid-year pressures, including virement procedures that allow funds to be moved to areas where shortages exist. Although underspends and overspends are not automatically carried forward, the Council does have an approved carry forward scheme.
- 3.41 For many years, year-end out-turn has been within approved budget levels, although the trend to significant underspends has now been eliminated. This is a welcome change, although it does mean, quite rightly, that there can be no reliance on underspends being available to deal with any unwanted overspends. This has put more reliance on accurate budgeting and forecasting and the level of reserves held.
- 3.42 Managers with budgetary responsibility receive ongoing financial training and support and attend regular briefings regarding issues such as the Budget Guidelines.
- 3.43 Budget holders receive regular information from their relevant service accountant and regular Financial Management System (FMS) reports through on-line access. Both budget profiling and commitment accounting are used to assist the budgetary control process. The Council utilises a 'Dashboard' reporting system which gives budget managers prompt information about financial and service performance. This has proved extremely popular and well used, leading to a very detailed and timely position statement being available on the Council's finances.
- 3.44 The Executive receives quarterly budgetary control reports, including proposed actions to deal with any variances from budget.

Risk Management and Insurance Arrangements

- 3.45 The Council has a well-developed risk management approach which regularly updates the key strategic and operational risks and identifies actions which can reduce the likelihood and impact of those risks. The risk registers identified are fed into the budgetary process as appropriate. The Authority has a low record of claims against its insurance policies.
- 3.46 The authority budgets for specific risks, as detailed later in the report.

Longer-Term Considerations

- 3.47 Although this report has the 2014-15 budget as its focus it is worthwhile considering briefly some of the key longer term financial issues facing the Council so that it can be established that no hidden issues could affect the forthcoming budget year.
- 3.48 The Council has a robust Medium Term Financial Strategy which is regularly updated and gives multi-year projections of the Council's revenue and capital position.
- 3.49 The next Medium Term Financial Strategy, covering the years 2015-16 to 2019-20 will be considered by the Executive in June 2014. Although managerial action will be required during the 2014-15 budget year to deal with the likely budget deficit from 2015-16 onwards there are currently no plans which will affect the 2014-15 budget itself.
- 3.50 Any change in the overall funding mechanism can reasonably be expected to have some redistributive effect between councils and it is, therefore, difficult to predict whether the impact on Cherwell District Council will be better, or worse than these national control totals.
- 3.51 The Council is currently debt free, the current capital expenditure plans mean that there is currently no need to borrow money long term at present although the Council does have the ability to if required. Short term borrowing for cash flow purposes continues to be very rare and a small sum has been budgeted in the years ahead as interest payable should there be a mis-match in cash available for a few days or weeks. However, there are significant projects currently being considered that will have an impact on the overall capital resources and is likely to see the Council borrowing funds in the future.

Specific Service Budget Risk Considerations

- 3.52 Estimates in respect of Housing Benefit payments, Government reimbursement of these payments and payment of administrative subsidy have been calculated based on the latest information available about take-up of benefits, the latest levels of correctly paid benefits and government notifications of reimbursements and subsidy levels. There has been a significant increase in the level of such payments during the economic difficulties of the last two years and this is set to continue for some time yet. Bearing in mind that most of the sums paid out are reimbursed by the Government, these estimates are therefore as robust as possible for an area of expenditure that is demand led.
- 3.53 The income from car parking will be closely monitored, as it is demand led and we need to see if the impact of a fee changes.
- 3.54 Planning fees and land charges fees are also significant factors in the Council's budget. The sums included will be closely monitored during the year.
- 3.55 Rental income from the Council's property portfolio is again subject to market forces and best estimates from officers concerned have been used and will be monitored closely.

3.56 The homelessness budget is demand-led and therefore difficult to accurately estimate. It will be closely monitored.

2014-15 Treasury Strategy

3.57 The Treasury Management Strategy is the cornerstone of proper treasury management, and is central to the operation, management reporting and performance assessment.

3.58 The proposed strategy for 2014-15 is attached in **Annex 3** and is based upon the views of the Director of Resources, Head of Finance and Procurement and the Council's Treasury Management Team. This is informed by market forecasts provided by the Council's treasury advisor, Capita Asset Services (formerly Sector).

3.59 In consultation with Capita Asset Services and with full reference to the CIPFA Code of Practice, the Council has reviewed its risk appetite and associated priorities in relation to security, liquidity and yield in respect of returns from various financial instruments.

3.60 The strategy detailed in **Annex 3** covers:

- The Current Treasury Position
- Prospects for interest rates
- The borrowing strategy
- Prudential Indicators
- The investment strategy
- Creditworthiness policy

3.61 This strategy statement has been prepared in accordance with the revised Code. Accordingly, the Council's Treasury Management Strategy will be considered for approval annually by the full Council and there will also be a midyear report.

3.62 In addition there will be monitoring reports and regular review by members in both executive and scrutiny functions.

3.63 The aim of these reporting arrangements is to ensure that those with responsibility for the treasury management function appreciate fully the implications of treasury management policies and activities, and that those implementing policies and executing transactions have properly fulfilled their responsibilities relating to delegation and reporting.

3.64 This Council adopts the reporting arrangements outlined in the attached Strategy.

Counterparty Ratings

3.65 The Council will select financial institutions following advice received by our Treasury Advisors. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

- 3.66 The Council will also assess other indicators, such as credit default swaps, share prices, the sovereign's economic fundamentals, corporate developments highlighted through news articles and market sentiment. If any of these indicators give rise to concern, the counterparty may be suspended from further use irrespective of the existing credit rating.
- 3.67 The highest standard of stewardship of public funds remains of the utmost importance to the Council. This strategy sets out the Council's priorities and policies for making, and managing investments made by the Council in the course of undertaking treasury management activities during the forthcoming 2014-15 financial year.

Minimum Revenue Provision (MRP) Policy

- 3.68 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) places a duty on local authorities to make prudent provision for debt redemption. Guidance on Minimum Revenue Provision (MRP) has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003. The Strategy this year includes our Minimum Revenue Provision Statement.
- 3.69 This MRP Statement is being submitted before the start of the 2014-15 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement will be submitted as at that time.

Key Issues for Consideration and Options

- 3.70 The key issues are whether:
- the base budget is realistic, both in terms of expenditure and income
 - the expenditure efficiencies are achievable
 - any new or increased income will be received
 - the reserves are adequate to deal with any budget problems.
- 3.71 It is considered that these requirements are in fact met and that the budget is sufficiently robust to be recommended for approval.
- 3.72 The production of the Treasury Management and Investment Strategy is a requirement of the CIPFA Code of Practice for Treasury Management.
- 3.73 It is a statutory duty under Section 3 of the Local Government Act 2003 and supporting regulations for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit".
- 3.74 The Full Council can of course make changes to the budget even at this late stage, although it is advised that any such changes, if significant, could adversely affect the robustness of the budget if a full appraisal of their likely consequences is not undertaken.

- 3.75 The following options have been identified. The approach recommended is believed to be essential so that the Council complies with the legislation directing it to consider the Chief Financial Officer's report.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The above narrative alongside the appendices represents the draft budget for Council to approve. This will be considered alongside the setting of the 2014-15 Council Tax.

5.0 Consultation

This report has been considered by Councillor Ken Atack, Lead Member for Financial Management.

The Executive has considered the budget through different reports from October through to December.

The Budget Planning Committee has considered the budget through its meetings during October to January.

The Council has consulted on its budget and priorities via the annual satisfaction survey and using the Citizen's panel to look at budget issues. Executive have used the results of these consultations to develop the content of the business plan. The draft budget has also been on the Council's consultation portal.

6.0 Alternative Options and Reasons for Rejection

- 6.1 This report presents a final analysis of the Council's draft 2014-15 revenue and capital budget. This will be presented to Council on the 24 February to support the setting of the Council Tax.
- 6.2 It is a legal requirement to set a balanced budget and the recommendations as set out represent what is believed to be the best way of achieving this. Alternative options are:

To reject the current proposals and to make alternative recommendations or ask officers for further information.

7.0 Implications

Financial and Resource Implications

- 7.1 The financial effects of the revenue budget are identified in the report. Any decisions made in relation to on-going expenditure or income in the budget for 2014-15 will have repercussions in future years when current forecasts indicate the financial environment is likely to become increasingly difficult. The Council has a

statutory duty to set a balanced budget and could incur the intervention of the Secretary of State if it failed to do so.

Comments checked by: Nicola Jackson, Corporate Finance Manager
01295 221731 nicola.jackson@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 The Council has a legal obligation to set a balanced budget.

Comments checked by: Kevin Lane, Head of Law and Governance
0300 0030107 kevin.lane@cherwellsouthnorthants.gov.uk

Risk management

7.3 The purpose of the Performance Management Framework is to enable the Council to deliver its strategic objectives. All managers are required to identify and manage the risks associated with achieving this. All risks are logged on the Risk Register and reported quarterly to the Accounts, Audit and Risk Committee.

Comments checked by: Louise Tustian, Senior Performance & Improvement Officer
01295 221786 louise.tustian2@cherwellandsouthnorthants.gov.uk

Equality and Diversity

7.4 The budget has had an equality impact assessment.

Comments checked by: Louise Tustian, Senior Performance & Improvement Officer
01295 221786 louise.tustian2@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Ken Atack – Lead Member for Financial Management

Document Information

Annex No	Title
1	Executive Report – Draft Business Plan and Draft Budget
2	Collection Fund Estimates
3	Treasury Strategy

4	Pay Policy
5	Business Rates Retail Relief Policy
Background Papers	
None	
Report Author	Tim Madden, Interim Head of Finance & Procurement
Contact Information	0300 0030106 tim.madden@cherwellandsouthnorthants.gov.uk

Cherwell District Council**Executive****3 February 2014****Draft Budget and Business Plan 2014-15****Report of Interim Head of Finance & Procurement**

This report is public

Purpose of report

The Council is required to produce a balanced budget for 2014-15 as the basis for calculating its level of Council Tax. It has to base that budget on its plans for service delivery during the year, recognising any changes in service demand that may arise in future years.

The first draft was reported to the Executive meeting on 2 December 2013. The information has now been updated to reflect changes since then and, subject to any further changes. Members may wish to include tonight, this final draft will be used to prepare a final budget proposal to be presented to full Council on 24 February 2014.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider and approve the draft budget in the context of the Council's service objectives and strategic priorities.
- 1.2 To approve the balanced budget.
- 1.3 To recommend to full council a Council tax freeze or amend the proposals contained within this report to recommend a different level of Council Tax.
- 1.4 To agree the proposed 2014-15 capital programme (Appendix 2).
- 1.5 To agree using 2013-14 retained business rates of £75,000 to pump prime the business rates support team as set out in paragraph 3.18.
- 1.6 To endorse the draft 5 year strategy, 2014-15 business plan and public pledges (Appendices 3, 4 and 5) be endorsed and to delegate authority to the Director of Resources in consultation with the Leader of the Council and the Lead Member for Performance and Customers to make any minor amendments to the plan or pledges as required before final publication in March 2014.

- 1.7 To note the 2014-15 Business Plan and Budget Equality Impact Assessment (Appendix 6).
- 1.8 To note the latest MTFS financial forecast is currently being refreshed and will be reported back to the Executive once this exercise has been completed.
- 1.9 To request officers to produce the formal 2014-15 budget book on the basis of the attached report and associated appendices.
- 1.10 To recommend, subject to any further changes Members may wish to include tonight, the updated budget for adoption by the Council on 24 February 2014.
- 1.11 To delegate authority to the Head of Finance and Procurement, in consultation with Director of Resources and the Lead Member Financial Management to amend the contributions to or from general fund balances to allow the Council Tax increase to remain at the level recommended by Executive to full Council following the announcement of the final settlement figures and as a result of any financial implications arising from recommendation 1.10.

2.0 Introduction

- 2.1 This report sets out the draft revenue budget for 2014-15 for the Council which will form the basis of the council tax setting report which is due to go to Council on the 24 February 2014. The report covers the information and work undertaken since Draft 1 of the budget was considered by Executive and Budget Planning Committee in December.
- 2.2 The report also looks at the impact of the local government settlement which was announced on 18 December. It sets out the steps which have been undertaken to produce a balanced budget and the capital programme.
- 2.3 Throughout the autumn officers have been preparing the budget in line with the guidelines for preparation considered by the Executive at its meeting of the 7 October 2013. A copy of the guidelines is repeated at Appendix 1 for ease of reference. This has set out the framework within which the budget has been developed.
- 2.4 The budget has been subject to consideration by the Budget Planning Committee which has also been heavily involved in assessing the proposed capital programme. The initial recommendations of that committee were presented to Executive at its meeting of 2 December and subsequent recommendations from its consideration of further ICT capital bids at its meeting of 21 January.

3.0 Report Details

Draft Revenue Budget

- 3.1 The draft budget presented in December 2013 presented a funding gap of £320,083. The budget presented in this report follows further work across a number of areas identified in the previous report in order to arrive at a balanced budget

position. Table 1 below sets out the draft General Fund Revenue Budget for consideration by the Executive.

Table 1: General Fund Revenue Budget	Budget	Draft Budget 2	Variance from 13/14 Budget
	2013-14	2014-15	
Net Expenditure	£15,365,552	£15,812,753	£447,201
Capital Charges Reversed	-£3,323,392	-£3,341,264	£17,872
Net Expenditure Services	£12,042,160	£12,471,489	£429,329
Centrally Controlled Items	£1,831,956	£1,919,054	£87,098
Net Budget Requirement	£13,874,116	£14,390,543	£516,427
Funding			
Investment Income	£150,581	£72,000	£78,581
Government Grant	£7,210,000	£6,398,000	-£812,000
Council Tax Compensation Grant <small>(now in above)</small>	£155,415	£0	-£155,415
Collection Fund	£100,000	£209,830	£109,830
New Homes Bonus	£0	£1,013,000	£1,013,000
Retained Business Rates	£0	£400,000	£400,000
Council Tax	£5,763,992	£5,879,712	£115,720
Council Tax Support Grant	£494,128	£418,000	-£76,128
Proposed Budget	£13,874,116	£14,390,543	£516,426
Shortfall / surplus		£0	£0
% Change			3.7%
Council Tax			
Number band D equivalents	46,672	47,609	
2014-15 Cost of Band D equivalent	£123.50	£123.50	
2013-14 Cost of Band D equivalent	£123.50	£123.50	
	£5,763,992	£5,879,712	

The finalisation of support allocations, capital charges and internal recharges may result in the service total being re-allocated across the three service areas but the bottom line totals and budget requirement will not change.

- 3.2 In order to balance the budget and secure the £320,000 deficit from Draft Budget 1, further reductions in costs and increases in income were taken into account. The main drivers for this are summarised in Table 2 below and these adjustments have resulted in a balanced budget.

Table 2: BUDGET MOVEMENT DRAFT 1 TO FINAL (Main Drivers)	
Draft 1 Shortfall	£320,000
Additional new homes bonus funding	-£143,000
Critical review of expenditure	-£69,000
Building blocks – category 2	-£33,000
Review of income	-£75,000
Final Draft	£0

- 3.3 The above actions have succeeded in balancing the budget. Table 3 below sets out a 'high level walk' from the 2013-14 net budget to the proposed 2014-15 net budget highlighting cost pressures and reductions.

Table 3: High Level Budget Walk 2013-14 to 2014-15	£m
Opening Net Budget	13.9
Building Blocks	-0.2
Efficiencies	-0.3
New Joint Working	-0.1
Inflation	0.2
Unavoidable Growth	0.7
Growth	0.1
Investment Income Decrease	0.1
New Homes bonus	-1.0
Retained business rates	-0.4
Government Grant Reductions	1.0
Other	0.4
Draft Base Budget 2013-14	14.4

- 3.4 These movements are further analysed in the tables below

Unavoidable Growth

Table 4: Unavoidable Growth	
Reduction in sale of glass and textiles from recycling contract	£148,000
Reduced landfill diversion credit	£40,000
Cost of new waste transfer arrangements	£50,000
Increase in the cost of pensions (see below)	£364,000
Benefits administration subsidy grant reduction	£103,000
	£705,000

Growth

Table 5: Growth	
Project management – Development Control	£75,000
Estates maintenance & repair	£20,000
Private Sector Housing team	£38,000
	£133,000

Pensions actuarial valuation

- 3.5 Every three years the Oxfordshire County Council pension fund is subject to an 'actuarial valuation' which reviews the current pension fund to ensure its assets can meet the future liabilities. The actuarial valuation for the 3 year period starting 1 April 2014 shows an increasing deficit which causes an additional cost pressure in 2014-15 of £364,000. This is due to the decreasing number of active pension members contributing to the scheme. This pressure was in excess of the amount assumed within the budget and has created a cost pressure in future years.

Budget Reductions

- 3.6 There have been £307,000 in efficiencies achieved which can be classified as cost reductions of £192,000 which have no service impact and fee income (demand increases) which totals £115,000.
- 3.7 A summary of the £0.2 million building blocks identified from each service is listed below.

Table 6: Building blocks	
Community Services – CCTV savings, increased income for summer activities, delete spare mileage budgets	£20,000
Community & Environmental Services Administration – delete vacant post and spare hours	£34,000
Finance & Procurement – Contract renegotiations and reduction in bank charges	£46,000
Law & Governance – land searches income budget	£25,000
Transformation – cease to fund data analysis service	£5,000
Strategic Planning – increase planning income	£100,000
Regeneration & Housing – licence fees and grant fees	£3,000
	£233,000

Proposed Council Tax 2014-15

- 3.8 The level of council tax being proposed is £123.50 pa at Band D and this is in line with Council commitment of a zero increase. Should the proposal of a zero % increase be adopted the Council will also receive £63,000 in an additional Compensation Freeze grant for 2014-15 and 2015-16. Although this will be a separate grant in 2014-15, for 2015-16 it will be subsumed into the general government grant for the Council and will lose its separate identity.
- 3.9 The above budget assumes a zero increase in Council Tax. At present the Government has not issued its referendum threshold. This is expected in mid-February. As a result, the Council Tax freeze grant for 2014-15 has not been incorporated into these plans. If confirmed, this will be treated as windfall income.
- 3.10 If the Executive were minded to change the Council Tax increase within this report they should be aware that a 1% increase would equate to an increase in income of £58,797. However, if this was implemented then the Council would forego the compensation grant of £63,000. The difference in the figures is as a result of the calculation of the CLG grant not taking into account the reduction in the tax base due to the council tax reduction scheme.

Local Government Finance Settlement

- 3.11 On the 18 December 2013, Local Government Minister Brandon Lewis MP made a written statement on the provisional local government finance settlement for 2014-15. This also contained provisional figures for 2015-16. This statement is still provisional and the final settlement is likely to be announced towards early / mid February 2014.

- 3.12 Overall the impact upon the Cherwell District Council funding position is broadly similar to that which has been forecast. The key change is shown below.

	2013-14 adjusted £000	2014-15 £000	2015-16 £000
Settlement Funding Assessment	8,414	7,265	6,124
% reduction		-13.7%	-15.7%

The grant figure of £7.265 million differs from that shown in Table 1 as it includes all government funding including elements that are within services (e.g. the homelessness grant).

- 3.13 This compares to our forecasts as follows:

	2013-14 adjusted £000	2014-15 £000	2015-16 £000
Funding	8,414	7,265	6,124
Forecast		7,324	5,871
Grant for NDR (to be confirmed)		43	53
Variance (£)		-16	306

- 3.14 At the Autumn Statement, the government announced that the NDR baseline would be increased by 2% rather than the agreed inflation of 3.2% but that the cost of this would be recompensed to local authorities. The grant adjustment set out above assumes this is the case but confirmation has not yet been received as to the actual amounts. The reduction in spending power for Cherwell is -2.6% compared to the national average reduction of 2.9% with no authority experiencing a decrease of more than 6.9%. However, as in previous years, the government focusses on comparative figures concerning a local authority's "revenue spending power" which also incorporates a council's New Homes Bonus, several specific grants and the new efficiency support grant.
- 3.15 Overall, the above shows a small additional deficit in 2014-15 but in 2015-16 the amount of grant is greater than had been anticipated. The impact of this has been incorporated into the 2014-15 budget but the 2015-16 position will need to be reviewed when the medium term forecast is updated.

Treasury Management Strategy 2014-15

- 3.16 The Council's investment income budget for 2014-15 has been compiled on the basis of close tracking of actual and likely interest rates and with the help of external advice. The emphasis has been on the least risky places to invest the Council's money and this, along with the continued low interest rates on offer and the agreed use of capital receipts has led to a continuing of low levels of investment income built into the budget. In budgetary terms this is prudent and places the Council at less risk of exposure in-year. A revised Treasury Management Strategy is being prepared and will be recommended to Full Council in February 2014.

Business Rates Pooling

- 3.17 At its meeting of the Executive of 7 October 2013, Executive agreed “that support in principle be shown for continuing to work on business rate pooling and agreement be given to carry out more detailed work to ascertain whether Cherwell District Council forms a pool with the County or not for 2014-15 and authority be delegated to the Director of Resources in consultation with the Lead Member for Financial Management to make the final decision.” Following further work and discussion, the decision was taken to join the pool with Oxfordshire County Council and West Oxfordshire District Council. The detail of the figures is still being calculated however there will be a significant benefit to Cherwell as a result of these arrangements.

Business Rates Support

- 3.18 Following the localisation of business rates, there are significant incentives to attracting businesses into the area and thereby generating additional income streams. In order to maximise the opportunities of this, it is proposed to set up a Business Rates Support team across both Cherwell Council and South Northants Council. The cost of this is expected to be £75,000 per authority on an on-going basis. It is anticipated that this will become self-funding through additional income generated. However, there will be an initial need for the team to be set up in the first year which will require pump priming funds. It is proposed to pump prime the team for the first year using 2013-14 retained business rates for this purpose initially.

2014-15 Capital Programme

- 3.19 The proposed new capital schemes for 2014-15 total £3.864 million as set out at Appendix 2. The Budget Planning Committee reviewed all the proposed capital bids during November and made recommendations to the Executive at its meeting of 2 December 2013. Following a recommendation by Executive, the Budget Planning Committee then further considered the ICT bids at its meeting of 21 January and agreed the following ICT bids:

- Citrix - Expansion to Support Agile Working (£20,228)
- Electronic Document and Records Management Pilot – SharePoint (jointly with SNC) - £35,000
- Aerial Imagery (£10,000)
- Microsoft Hyper – V (£14,000)
- VMware virtual centre site recovery software (£35,000)

These have been included within Appendix 2.

The Future – Medium Term Financial Strategy 2015-16 to 2019-20

- 3.20 The coming years will present even further challenges which in the main will relate to the continued cuts to the level of government grants received, local government reform and welfare reform. The Council’s has a strong track record and commitment to delivering efficiencies and this will continue in order to manage the challenges facing the authority in the future.

- 3.21 The forward planning together with the joint working with South Northamptonshire Council (and any others we choose to collaborate with) strengthens our position to meet the forecast challenges of future years. The Council will update its MTFS forecast to be included in the 2014-15 budget book and will be presented to the Executive once complete.

Five Year Business Strategy, 14/15 Business Plan, performance pledges and service plans

- 3.22 Appendix 3 sets out the high level priorities for the Council's five year strategy. These inform the council's annual business plan and budget which in turn inform operational service plans.
- 3.23 Appendix 4 sets out the council's objectives for 2014-15 and Appendix 5 the council's draft performance pledges. The business plan and performance pledges form the basis of the council's performance management framework and progress will be reported quarterly.
- 3.24 After the budget, five year strategy and plan have been agreed they will be published as formal documents and will be available from March 2014.

Public consultation

- 3.25 The Council has informed its business strategy, annual plan and budget by undertaking public consultation including using the Citizen's panel to undertake budget focus groups in the north and south of the district and a customer satisfaction survey.
- 3.26 In addition the draft budget has been available on the Council's consultation portal for comment and the council's scrutiny committee has also reviewed the documents. The Lead Member for Performance and Customers will give a verbal update with feedback from the scrutiny process.

Impact assessment

- 3.27 An impact assessment of the 2014-15 budget and business plan has been carried out and is attached at Appendix 6.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The above narrative alongside the appendices represents the draft budget for approval by the Executive. If agreed, this will be taken onto Council on 24 February and will be considered alongside the setting of the 2014-15 Council Tax.

5.0 Consultation

- 5.1 This report has been considered by Councillor Ken Atack, Lead Member for Financial Management.

The Executive has considered the budget through different reports from October through to December.

The Budget Planning Committee has considered the budget through its meetings during October to January.

The Council has consulted on its budget and priorities via the annual satisfaction survey and using the Citizen's panel to look at budget issues. Executive have used the results of these consultations to develop the content of the business plan. The draft budget has also been on the Council's consultation portal.

6.0 Alternative Options and Reasons for Rejection

6.1 This report presents a final analysis of the Council's draft 2014-15 revenue and capital budget. This will be presented to Council on the 24 February to support the setting of the Council Tax.

6.2 It is a legal requirement to set a balanced budget and the recommendations as set out represent what is believed to be the best way of achieving this. Alternative options are:

To reject the current proposals and to make alternative recommendations or ask officers for further information.

7.0 Implications

Financial and Resource Implications

7.1 The financial effects of the revenue budget are identified in the report. The new capital schemes are detailed in Appendix 2. Any decisions made in relation to on-going expenditure or income in the budget for 2014/15 will have repercussions in future years when current forecasts indicate the financial environment is likely to become increasingly difficult. The Council has a statutory duty to set a balanced budget and could incur the intervention of the Secretary of State if it failed to do so.

Comments checked by: Nicola Jackson, Corporate Finance Manager
01295 221731 nicola.jackson@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2. The Council is legally required to set a balanced budget which the recommendations will achieve if approved by Executive and Council. Due consideration of external responses to consultation is also required and has taken place as part of the budget process.

Comments checked by:
Kevin Lane, Head of Law and Governance, 0300 0030107
kevin.lane@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision **Yes**

Financial Threshold Met: **Yes**

Community Impact Threshold Met: **Yes**

Wards Affected

All Wards will be affected by the budget

Links to Corporate Plan and Policy Framework

Enhancing the Council Performance

Lead Councillor

Councillor Ken Atack, Lead Member for Financial Management

Document Information

Appendix No	Title
Appendix 1	Budget Guidelines
Appendix 2	New Capital Bids 2014-15
Appendix 3	Five Year Business Strategy
Appendix 4	2014-15 Business Plan
Appendix 5	Public Pledges
Appendix 6	Business Plan and Budget Equality Impact Assessment
Background Papers	
None	
Report Author	Tim Madden, Interim Head of Finance and Procurement
Contact Information	0300 003 0106 tim.madden@cherwellandsouthnorthants.gov.uk

GUIDELINES FOR THE PREPARATION OF THE 2014/15 BUDGET

Principles

- Protect Frontline Services
- Focus attention on corporate and service priorities and improving performance
- Maximise joint working potential
- Maximise procurement opportunities and contract negotiations

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

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

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

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

Budget Deliverables

1. Prepare and submit draft revenue estimates for 2014/15 and the next 4 years (5 year forecast) which fully reflect the service priority and consultation event findings and match the current duration of the MTFS.
2. Prepare and submit a draft 5 year capital programme. All schemes to carry a full project appraisal including strategic objective, priority, value for money assessment, and details of any revenue impacts. All capital project appraisals will be validated by the Budget Planning Committee. All schemes previously approved to start in 2013/14 and onwards will be carried through for consideration.
3. The 2013/14 projected outturn at September 2013, adjusted to take account of the full year effect of savings identified in setting the 2014/15 budget, and one off items will be assumed to be the “**base budget**”. This will then be further adjusted for savings identified within the Executive’s £0.5m promise action plan. The budget will be prepared by the Corporate Finance Team and signed off by Head of Finance and Procurement.

Budget Timetable

The revenue and capital budget is agreed by full Council before 11 March each year. The 2014/15 budget will be considered at Council in February 2014.

Revenue Budget Guidelines

Income

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

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

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

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

Growth

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

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

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

Year	CPI %
2014/15	2.7%
2015/16	2.7%
2016/17	2.7%
2017/18	2.7%
2018/19	2.7%

Current CPI at August 2013 is 2.7%

- Payroll - payroll inflation is included at the following levels:

Year	%
2014/15	1.25%
2015/16	2.0%
2016/17	2.0%
2017/18	2.0%
2018/19	2.0%

- Council Tax should be forecasted with 0% increases and held at 2010/11 levels.

Year	CPI %
2014/15	0%
2015/16	0%
2016/17	0%
2017/18	0%
2018/19	0%

- Interest rates should be forecasted as below:

Year	Average Interest Rate
2014/15	0.75%
2015/16	0.75%
2016/17	0.75%
2017/18	0.75%
2018/19	0.75%

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

Savings

Each Directorate is required to work up a full range of budget savings options at 10%, 15% and 20%. These options will be presented as potential Budget savings. A standard template is provided (requesting information on lead-in times, one off costs and impact on priorities, services and policies).

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

- identify opportunities for new efficiency savings.
- identify areas with reducing levels of income and identify opportunities for reducing corresponding expenditure.
- challenge current methods of service delivery and identify alternative ways of providing services.
- challenge existing policies and service levels so a complete range of service reductions are identified.
- have considered every issue relating to the potential saving (including lead-in times, one-off costs and impact on services and policies).

- have considered the statutory requirement to provide the service and at what minimum level, or whether the service is discretionary.
- Explicitly consider if there is scope for efficiencies via closer working with other local authorities particularly in light of our own and South Northants closer working.

Capital programme Guidelines

- Capital resources are reducing over the life of the MTFS. The development of 5 year rolling capital programme and resources should be drawn up within the context of the following objectives:
 1. The generation of additional reserves and balances, with appropriate contingencies.
 2. Opportunities to invest to save.
 3. Maintaining Council assets and the Council's infrastructure to agreed standards.
- A capital project appraisal is required for each bid and this will be validated by the Budget Planning Committee who will make recommendations for schemes to be included in the 2014/15 capital programme. All schemes previously approved to start in 2014/15 and onwards will be carried through for consideration.

Procurement

When setting both the 2014/15 budget and future years, regard should be given to the Corporate Procurement Strategy and the Council's Contract Procedure rules. In particular, budgets and projections should be based on Corporate and agreed framework contracts. Further advice and guidance can be obtained from the Council's Procurement Team.

Risk

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

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

With a £14m Revenue Budget covering all the Council's services and activities, the potential for an issue to be missed or not considered properly will always be there. The budget process is designed to minimise this risk and throughout the process there are frequent meetings with Joint Management Team and Executive to review.

NEW CAPITAL BIDS 2014/15

Appendix 2

Bid No.	Capital Scheme	Service	Lead member	Head of Service	Full Value	Profiled Spend			Cummulative Full Value
						2014/15	2015/16	2016/17	
1	Cooper Sports Hall Roof	Community	Cllr George Reynolds	Chris Rothwell	£ 100,000	£ 100,000			£ 100,000
8	Bradley Arcade Roof Repairs	Regeneration	Cllr Norman Bolster	Chris Stratford	£ 125,000	£ 122,000	£ 3,000		£ 225,000
18	Mandatory Disabled Facilities Grants (gross amount, of which £375k is CDC)	Housing	Cllr Debbie Pickford	Chris Stratford	£ 750,000	£ 750,000			£ 975,000
24	Environmental Services Vehicle Replacement Scheme	Environment	Cllr Nigel Morris	Ed Potter	£ 672,000	£ 672,000			£ 1,647,000
10	DPS Access Audit	Regeneration	Cllr Norman Bolster	Chris Stratford	£ 20,000	£ 20,000			£ 1,667,000
33	GCSX Secured Area - Wall Garden - PNC Compliance (IT hardware)	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 20,000	£ 20,000			£ 1,687,000
3	Woodgreen Leisure Centre Bowls Hall Heater	Community	Cllr George Reynolds	Chris Rothwell	£ 65,000	£ 65,000			£ 1,752,000
22	Glass Bank Recycling Scheme	Environment	Cllr Nigel Morris	Ed Potter	£ 25,000	£ 25,000			£ 1,777,000
20	Customer Self-Service Portal and CRM Solution	Community	Cllr Nicholas Turner	Chris Rothwell	£ 80,000	£ 55,000	£ 25,000		£ 1,857,000
21	Recycling Bank Scheme	Environment	Cllr Nigel Morris	Ed Potter	£ 25,000	£ 25,000			£ 1,882,000
17	Discretionary Housing Grants	Housing	Cllr Debbie Pickford	Chris Stratford	£ 275,000	£ 275,000			£ 2,157,000
35	San Storage Renewal (IT hardware)	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 81,000	£ 81,000			£ 2,238,000
36	Server Replacement Programme (IT hardware)	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 30,000	£ 30,000			£ 2,268,000
16	Empty Homes and Work-in-default (recoverable) Enforcement	Housing	Cllr Debbie Pickford	Chris Stratford	£ 100,000	£ 100,000			£ 2,368,000
12	18 & 19 Thorpe Place - Replacement Roof Lights	Regeneration	Cllr Norman Bolster	Chris Stratford	£ 27,000	£ 27,000			£ 2,395,000
19	Planning and Building Control replacement of ICLIPSE (Northgate) DMS	Development Management	Cllr Michael Gibbard	Andy Preston	£ 84,000	£ 84,000			£ 2,479,000
26	ESXI PROD 2 - capacity forward planning (IT hardware)	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 15,000	£ 15,000			£ 2,494,000
29	Lync 2013 (professional fees, equipment, IT hardware)	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 43,800	£ 43,800			£ 2,537,800
32	Desktop PC Replacement	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 59,200	£ 59,200			£ 2,597,000
37	Netback Up Upgrade	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 75,000	£ 75,000			£ 2,672,000
9	Works in Connection with Condition Survey - Year 2	Regeneration	Cllr Norman Bolster	Chris Stratford	£ 300,000	£ 300,000			£ 2,972,000
15	Upgrade to Uninterrupted Power Supply & Back up Systems	Regeneration	Cllr Norman Bolster	Chris Stratford	£ 375,000	£ 325,000	£ 40,500	£ 9,500	£ 3,347,000
23	Energy Efficiency Scheme	Environment	Cllr Nigel Morris	Ed Potter	£ 50,000	£ 50,000			£ 3,397,000
5	Elections Polling Booths and Count Tables	Democratic	Cllr Barry Wood	Kevin Lane	£ 49,840	£ 49,840			£ 3,446,840
25	ISCSI Traffic Separation (IT hardware)	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 20,000	£ 20,000			£ 3,466,840
28	Modular Development of CSM - Cherwell Helpdesk Software	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 25,280	£ 25,280			£ 3,492,120
6	Replacement Air Conditioning Plant at Banbury Museum	Regeneration	Cllr Norman Bolster	Chris Stratford	£ 35,000	£ 35,000			£ 3,527,120
11	Improvements to Amenities to Orchard Way Shops	Regeneration	Cllr Norman Bolster	Chris Stratford	£ 27,500	£ 27,500			£ 3,554,620
38	Security Logging Software	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 25,000	£ 25,000			£ 3,579,620
2	North Oxfordshire Academy - astro turf pitch	Community	Cllr George Reynolds	Chris Rothwell	£ 150,000	£ 150,000			£ 3,729,620
4	Stratfield Brake Floodlights	Community	Cllr George Reynolds	Chris Rothwell	£ 20,000	£ 20,000			£ 3,749,620
27	Hyper V Environment (IT hardware)	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 14,000	£ 14,000			£ 3,763,620
30	Aerial Imagery Update (professional fees)	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 10,000	£ 10,000			£ 3,773,620
31	Citrix - Expansion to Support Agile Working	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 20,228	£ 20,228			£ 3,793,848
34	VMware Virtual Centre Site Recovery Manager (disaster recovery)	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 35,000	£ 35,000			£ 3,828,848
40	Sharepoint - Joint Bid with SNC	Information Technology	Cllr Nicholas Turner	Jo Pitman	£ 35,000	£ 35,000			£ 3,863,848
	TOTAL RECOMMENDED BIDS FOR 2014-15				£ 3,863,848	£ 3,785,848	£ 68,500	£ 9,500	

Five Year Business Strategy

Priorities for the 5 year strategy

The table below presents the Council's strategic priorities for its 5 year business strategy. This strategy sits alongside the council's medium term financial strategy and is underpinned by an annual business plan, budget and performance management framework that sets out the milestones, performance measures and budget that will drive the council's delivery of services and major projects.

A Cherwell: A District of Opportunity	B Cherwell: Safe, Green, Clean	C Cherwell: Thriving Communities	D Cherwell: Sound budgets and a customer focused Council
a1. Deliver the Local Plan to provide a framework for sustainable housing, employment and infrastructure.	b1. Provide high quality recycling and waste services, aimed at helping residents recycle as much as possible.	c1. Deliver affordable housing and work with private sector landlords to help improve affordable housing options.	d1. Reduce the cost of providing our services through partnerships, joint working and other service delivery models.
a2. Implement the master plan for Bicester helping to provide new housing, jobs and leisure opportunities.	b2. Provide high quality street cleansing services, and tackle environmental crime (littering, fly tipping, graffiti) where it arises.	c2. Work with partners to support financial inclusion and help local people into paid employment.	d2. Work to effectively communicate with local residents and businesses to better understand and respond to their needs
a3. Implement the master plan for Banbury helping to provide retail, employment and town centre development opportunities.	b3. Work with partners to help ensure the district remains a low crime area, reducing fear of crime and tackling Anti-Social Behaviour.	c3. Provide high quality housing options advice and support to prevent homelessness.	
a4. Implement the master plan for Kidlington, helping to develop a strong village centre and make the most of the strategic communications opportunities afforded by its location.	b4. Reduce our carbon footprint and protect the natural environment.	c4. Work to promote and support health and wellbeing across the district.	d3. Improve customer service through the use of technology and responding to customer feedback.
		c5. Provide high quality and accessible leisure opportunities.	d4. Produce and deliver a rolling five year business strategy, medium term financial plan and a capital programme that ensures the Council is resourced to deliver its strategic priorities.
a5. Promote inward investment and support appropriate economic growth within the district.		c6. Provide support to the voluntary and community sector.	

<p>a6. Deliver high quality regulatory services that support the growth of the local economy.</p>		<p>c7. Protect our built heritage by supporting effective conservation, managing the impacts of growth and working to ensure development takes place in appropriate areas.</p>	<p>d5. Work to ensure the Council gets the most out of its resources, including land and property through effective asset management.</p>
		<p>c8. Work to ensure rural areas are connected to local services and the retail centres provided in the two market towns.</p>	<p>d6. Deliver below inflation increases to the CDC element of Council Tax.</p>

DRAFT: 2014–15 Business Plan Objectives and Milestones

Each of the objectives and milestones within this document will be underpinned by performance measures that will be reported via the council's quarterly performance management framework.

A			
Cherwell: A District of Opportunity			
5 year strategic properties	Key objectives and milestones for 2014/15	Measure	JMT owner
a1. Deliver the Local Plan to provide a framework for sustainable housing, employment and infrastructure.	<ul style="list-style-type: none"> Meet the Local Plan milestones including preparation for the examination process 	Quarterly update	Adrian Colwell
a2. Implement the Masterplan for Bicester helping to provide new housing, jobs and leisure opportunities.	<ul style="list-style-type: none"> Northwest Bicester: Delivery of the Masterplan to the agreed timescales Northwest Bicester: Delivery of the eco – Bicester business centre Bicester town centre regeneration including the council commercial building Graven Hill: deliver the Council's vision for this strategic site 	Quarterly update	Karen Curtin
a3. Implement the master plan for Banbury helping to provide retail, employment and town centre development opportunities.	<ul style="list-style-type: none"> Wood Green – secure the delivery of new homes on the site and continue to improve the physical environment of the area Secure an agreed scheme for the delivery of the Bolton Road site Work with the developer to secure delivery of the extension to the Castle Quay shopping centre an improved retail commercial offer and the Spiceball development 	Quarterly update	Chris Stratford
a4. Implement the Masterplan for Kidlington, helping to develop a strong village centre and make the most of the strategic communications opportunities afforded by its location.	<ul style="list-style-type: none"> Agree next steps for the development options for Kidlington against agreed timescales and milestones 	Quarterly update	Chris Stratford
a5. Promote inward investment and support appropriate economic growth within the district.	<ul style="list-style-type: none"> Produce marketing material to promote commercial and industrial business sites and the area Develop the role of the Cherwell Investment Partnership to provide a hub for inward investment 	Quarterly update	Adrian Colwell

b3. Work with partners to help ensure the district remains a low crime area, reducing fear of crime and tackling Anti-Social Behaviour.	<ul style="list-style-type: none"> • Explore new partnerships delivery models for the management and operation of CCTV • Continue to work with the local police and licence holders to ensure our town centres remain safe and vibrant in the evenings 	Reduced costs of CCTV ASB measures Fear of crime	Chris Rothwell
b4. Reduce our carbon footprint and protect the natural environment.	<ul style="list-style-type: none"> • Maintain our 5 year commitment to reduce our carbon footprint by 22 % by 2016. 	Carbon Management Plan and CO2 savings Annual Green House Gas report	Ed Potter

c Cherwell: Thriving Communities			
3 year strategic properties	Key objectives and milestones for 2014/15	Measure	JMT owner
c1. Deliver affordable housing and work with private sector landlords to help improve affordable housing options.	<ul style="list-style-type: none"> • Deliver 150 units of affordable housing and 150 self-build housing projects as part of the HCA funded grant programme 	No of affordable housing units No of self-build properties built	Chris Stratford
c2. Work with partners to support financial inclusion and help local people into paid employment.	<ul style="list-style-type: none"> • Commissioning of high quality financial and debt advice for vulnerable residents. • Effective implementation of welfare reform and administration of benefits. • Delivery of the Brighter Futures in Banbury programme to provide opportunities in some of the district's most disadvantaged • Continue to support skills development, apprenticeships and job clubs in order to help support local employment and reduce the number of young people not in education, employment or training 	Benefits measures NEETS, skills development apprenticeships and Job Clubs	Chris Stratford Tim Madden Ian Davies Adrian Colwell
c3. Provide high quality housing options advice and support to prevent homelessness.	<ul style="list-style-type: none"> • Deliver the approved new Homelessness Prevention Strategy and action plan 	Homelessness figures Temporary accommodation figures Homelessness prevention figures	Chris Stratford

c4. Work to promote and support health and wellbeing across the district.	<ul style="list-style-type: none"> Support the work of the Community Partnership Network with financial, clinical and technological changes in the health and social care sector 	Quarterly update	Ian Davies
c5. Provide high quality and accessible leisure opportunities.	<ul style="list-style-type: none"> Maintain a minimum usage level of visits to leisure facilities Commence Phase 2 pavilion works for SW Bicester Sports Village Increase access to leisure and recreation opportunities through development and outreach work 	Target to be the outturn from 13/14	Chris Rothwell
c6. Provide support to the voluntary and community sector.	<ul style="list-style-type: none"> Secure social and community infrastructure for housing developments across the District Continue to support the voluntary sector and community groups 	Quarterly update	Chris Rothwell
c7. Protect our built heritage by supporting effective conservation, managing the impacts of growth and working to ensure development takes place in appropriate areas.	<ul style="list-style-type: none"> Continue programme of Conservation Reviews Establish a register of Local Heritage Assets Provide design guidance on major developments 	5 reviews per year	Andy Preston
c8. Work to ensure rural areas are connected to local services.	<ul style="list-style-type: none"> Roll out the service implementation of Broadband with Oxfordshire County Council 	Quarterly update	Adrian Colwell

D			
Cherwell: Sound budgets and a customer focused Council			
5 year strategic properties	Key objectives and milestones for 2014/15	Measure	JMT owner
d1. Reduce the cost of providing our services through partnerships, joint working and other service delivery models.	<ul style="list-style-type: none"> Extend the joint working programme to include: New methods of service delivery More services delivered in partnership A new HR strategy designed to support new methods of service delivery involving more partners increased organisational capacity and efficiency improved workforce planning and development visible recognition for innovation Identify and remove unnecessary work from service delivery processes to help deliver savings and efficiencies Plan to reduce the number of ICT systems required to deliver and manage services, through sharing where possible, and taking advantage of new procurement opportunities Through a 3-way Working Group with South Northamptonshire and Stratford upon Avon District Councils, review service delivery operating models using the Transformation Challenge Funding provided by DCLG in order to further our exemplar model of sharing services and deliver quantifiable efficiencies and savings; deliver a minimum of 10% financial savings. Maximise income through designing services that can attract a market Make successful bids for external funding 	Quarterly update	Jo Pitman
d2. Work to effectively communicate with local residents and businesses to better understand and respond to their needs	<ul style="list-style-type: none"> Increase our use of social media to communicate with residents and local businesses Support the increased use of the CDC website as a communications and transactional tool Deliver a new approach to communications for the Bicester Master plan Continue to develop our business focused communications 	Social media ratings Online transactions Customer satisfaction ratings	Jo Pitman

d3. Improve customer service through the use of technology and responding to customer feedback.	<ul style="list-style-type: none"> • Implement the Individual Electoral Registration system in accordance with legislative timetable • Implement additional online services for customers and deliver a significant reduction in phone contact in relation to those services • Increased capacity to build service delivery processes suitable for online for self service • Bring about a measurable plan to increase significantly the proportion of our total customer demand that is met through self service • Target the reduction of avoidable contact from customers by: <ul style="list-style-type: none"> ○ Improved information signposting ○ More information on-line ○ Improved letters and communications with clear, understandable instructions and information 	Measures and quarterly update Govmetric	Kevin Lane Chris Rothwell
d4. Produce and deliver a rolling five year business strategy, medium term financial plan and a capital programme that ensures the Council is resourced to deliver its strategic priorities.	<ul style="list-style-type: none"> • Deliver an annual balanced budget setting out the five year financial plan (Medium Term Financial Strategy) • Deliver the savings targets within the agreed timescales 	Budget variance on capital and revenue within 2%	Tim Madden
d5. Work to ensure the Council gets the most out of its resources, including land and property through effective asset management.	<ul style="list-style-type: none"> • Commission and introduce a new Asset Management Strategy 	Quarterly update	Chris Stratford
d6. Deliver below inflation increases to the CDC element of Council Tax.	<ul style="list-style-type: none"> • CDC Council Tax element frozen for 14/15 		Tim Madden

Performance Pledges 2014/15

Cherwell: A District of Opportunity

1. Make progress onsite for the initial housing development at North West Bicester.
2. Progress work on North West Bicester exemplar site
3. Delivery in Northwest Bicester of the Eco Bicester Business Centre
4. Deliver the Local Plan to provide a framework for sustainable housing, employment and infrastructure

Cherwell: Safe, Green and Clean

5. Maintain a household recycling rate of above 57%
6. Improve local residents' satisfaction with street and environmental cleanliness continuing our successful programme of neighbourhood litter blitzes.
7. Maintain the Council's five year commitment to reduce our carbon footprint by 22% by 2016

Cherwell: Thriving Communities

8. Continue working with our partners to provide support to the most vulnerable individuals and families in the district, building on the Brighter Futures in Banbury programme.
9. Work with the local police and licence holders to ensure our town centres remain safe and vibrant in the evenings.
10. Deliver 150 units of affordable homes in the district and support opportunities for self build and developing self build skills.
11. Continue to support skills development, apprenticeships and job clubs in order to help support local employment and reduce the number of young people not in education, employment or training.

Cherwell: Sound Budgets and Customer Focused Council

12. Deliver the savings targets of £500,000 within the agreed timescales.
13. Continue to improve our website, and implement additional online services for customers
14. Extend the Joint Working Programme to include new methods of service delivery and more services delivered in partnership



EQUALITY IMPACT ASSESSMENT

2014/2015 Business Plan and Budget Equality Impact Assessment

Equality Impact Assessments

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Equality Impact Assessment (Part 1)

Part 1: INITIAL SCREENING DETAILS ASSESSING POLICIES AND ACTIVITIES - GUIDANCE FOR STAFF

Notes:

1. As a result of this exercise, you will have checked that your policy or activity does not have adverse impact on equality groups and you will have identified relevant action that you need to take, and the likely costs/resources associated with any improvement. The equality groups covered are at present: Disability, Gender Reassignment, Pregnancy and Maternity, Race, Religion or Belief, Sex, Sexual Orientation, Age and Marriage or Civil Partnership.

This is not simply a paper exercise - it is designed to make sure that your policy or activity is delivered fairly and effectively to all sections of our local community.

2. Please note that the Council is required to publish the results of these assessments, and updates, therefore your completed Appendices may be public documents.
3. Appendix 1 questionnaire (to be completed for each relevant Strategy, Policy or Service Development) is for use regardless of whether your policy or activity is aimed at external customers or internal staff.

Please tick/delete as appropriate: Is this EIA for a:

Strategy	<input checked="" type="checkbox"/>	Existing	<input checked="" type="checkbox"/>	(2012/13 assessment reviewed annually)
Policy	<input type="checkbox"/>	New/Existing	<input type="checkbox"/>	
Service Development	<input type="checkbox"/>	New/Existing	<input type="checkbox"/>	

Name of Strategy, Policy or Service Development:

2014/15 Corporate Business Plan and Budget

AIMS, OBJECTIVES AND PURPOSE OF THE POLICY OR ACTIVITY:

The Corporate Business Plan contains detailed measures and targets which underpin the delivery of Cherwell District Council's strategic priorities throughout 2014/2015.

PLEASE LIST THE MAIN STAKEHOLDERS/BENEFICIARIES IN TERMS OF THE RECIPIENTS OF THE ACTIVITY OR THE TARGET GROUP AT WHOM THE POLICY IS AIMED:

- All Cherwell Residents

If the activity is provided by another department, organisation, partnership or agency on behalf of the authority, please give the names of these organisations/agencies:

N/A

Lead officer	Caroline French
Contact	01295 221586 caroline.french@cherwell-dc.gov.uk
Service area	Performance
Directorate	Transformation
Assessment date	22/01/2014
Assessment review date	January 2015

Equality Impact Assessment (Part 1)

STAGE 1 – INITIAL SCREENING ASSESSMENT

Q	Screening Questions	Y/N
1.	Does the policy or activity knowingly prevent us in anyway from meeting our statutory equality duties under the 2010 Equality Act?	N
2	Is there any evidence that any part of the proposed policy or activity could discriminate unlawfully, directly or indirectly, against particular equality groups?	N
3	Is there any evidence that information about the policy or activity is not accessible to any equality groups?	N
4	Has the Council received any complaints about the policy or activity under review, in respect of equality issues?	N
5	Have there been any recommendations in this area arising from, for example, internal/external audits or scrutiny reports?	N
6	Will the proposed policy or activity have negative consequences for people we employ, partner or contract with?	Y Potential
7	This Strategy, Policy or Service Development has an impact on other council services i.e. Customer Services and those services have not yet been consulted.	N
8	Will there be a negative impact on any equality groups? If so please provide brief details below.	N
	Equality Impact:	
	Disability	
	Gender Reassignment	
	Pregnancy and Maternity	
	Race	
	Religion or Belief	
	Sex	
	Sexual Orientation	
	Age	
	Marriage and Civil Partnership	
9	Is the proposed policy or activity likely to have a negative affect on our relations with certain equality groups or local community?	N
10	There has been no consultation with equality groups about this policy or activity? Answer yes if you agree with this statement. If there has been consultation, please list the equality groups you have consulted with:	Y
11	Has this assessment missed opportunities to promote equality of opportunity and positive attitudes?	N

Proceed to In Depth (Full) Assessment (complete Stage 2) if the answer is YES to more than one of the above questions.

For any YES answers include an improvement action in your Equality Improvement Plan.

Declaration

I am satisfied that an initial screening has been carried out on this policy or activity and an In Depth (Full) Equality Impact Assessment is not required. I understand that the EIA is required by the Council and take responsibility for the completion and quality of this assessment.

Completed by: Caroline French

Date: 22/01/2014

Countersigned by: Claire Taylor, Corporate Performance Manager

Date:

Equality Impact Assessment (Part 1)

Please detail below your evidence which has determined whether you have answered either Yes or No to the initial screening questions.

Screening Questions	Narrative
Does the policy or activity knowingly prevent us in anyway from meeting our statutory equality duties under the 2010 Equality Act?	No, all of the targets and measures within the Business Plan are compliant with the Equality Act 2010
Is there any evidence that any part of the proposed policy or activity could discriminate unlawfully, directly or indirectly, against particular equality groups?	No, all measures, targets and strategic priorities are compliant with the Equality Act 2010.
Is there any evidence that information about the policy or activity is not accessible to any equality groups?	No, the Business Plan is published on Cherwell District Council's website. Cherwell District Council's priorities are driven by the Corporate Consultation programme and Budget Consultation process. Where there are known equality groups with low response rates the survey boosts sample sizes to ensure good response rates. There are also arrangements to consult with specific equalities groups, for example via the faith and disability forums.
Has the Council received any complaints about the policy or activity under review, in respect of equality issues?	No
Have there been any recommendations in this area arising from, for example, internal/external audits or scrutiny reports?	No
Will the proposed policy or activity have negative consequences for people we employ, partner or contract with?	The Business Plan highlights an exploration between Cherwell District Council and its partners with regards to sharing or providing services at a reduced cost. Specific impact to employees, partners or contractors cannot be identified at this time but may become

	<p>apparent throughout the year as business cases are developed. All service reconfigurations and/or potential redundancies will be undertaken in line with the council's human resources policy and with staff consultation.</p>
<p>This Strategy, Policy or Service Development has an impact on other council services i.e. Customer Services and those services have not yet been consulted.</p>	<p>No</p>
<p>Will there be a negative impact on any equality groups?</p>	<p>National Policy in relation to the Government Welfare Reform will continue to take effect during 2014/15. The council will work with partners to provide advice and support to mitigate the impact of changes.</p> <p>Due to on-going constraints in terms of Local Government Funding the Business Plan contains a target to secure significant savings during the course of 2014/15. Any initiatives that may have impact upon equality groups have will undergo the specific EIA process.</p>
<p>Is the proposed policy or activity likely to have a negative affect on our relations with certain equality groups or local community? If so please explain.</p>	<p>No, the EIA has not identified any specific objective or target within the business plan likely to have a negative effect on community relations.</p>
<p>There has been no consultation with equality groups about this policy or activity? Answer yes if you agree with this statement. If there has been consultation, please list the equality groups you have consulted with:</p>	<p>No specific consultation has taken place against the actual Business Plan for 2014/2015; however Cherwell District Council's priorities are driven by the Corporate Consultation Programme and Budget Consultation. Were surveys are undertaken equalities groups with lower response rates are subject to 'sample boosting techniques' to ensure Cherwell District Council receives a reflective response</p>

	from the whole community.
Has this assessment missed opportunities to promote equality of opportunity and positive attitudes?	No

Equality Impact Assessment

PART 2: STAGE 2 – IN DEPTH (FULL) ASSESSMENT

	EQUALITY DUTIES	OUTCOME
1	What evidence is there from stakeholders that different equality groups might have different needs, concerns and priorities in relation to issues addressed by the policy or activity (this includes the results of consultation with an involvement of different equality groups)?	The Business Plan underpins the creation of the Corporate Priorities. Cherwell District Council set their priorities by evidence gathered by following the Corporate Consultation Programme.
2	How does the proposed policy or activity contribute towards meeting our strategic objective to encourage continual improvement in public services so that they meet the changing needs of diverse communities and provide fair access for all?	The detailed measures and targets within the Business Plan underpin Cherwell District Council's strategic priorities.
3	How does the policy or activity contribute to our duty to promote positively equality of opportunity?	<p>There are a variety of objectives within the Business Plan which have a positive impact:</p> <p>2014/2015 will see further successful delivery of the Brighter Futures in Banbury project which aims to break the cycle of deprivation and address health inequalities in the three most deprived areas of Banbury. By working with Partners it aims to reduce the number of young people not in education, employment or training.</p> <p>Cherwell District Council will continue to provide a wide range of recreational activities and opportunities for young people across the district.</p>
4	Will it help eliminate unlawful discrimination or harassment in any way or encourage or hinder community relations?	The Business Plan outlines how Cherwell District Council will achieve it's Corporate Priorities on a yearly basis. The community feed into this process

		via the Corporate Consultation process.
5	What evidence is there to suggest that the policy or activity could affect some equality groups differently – this is not just about numbers but the seriousness and degree of the adverse impact.	No
6	If there is an adverse impact, what amendments can be made to the policy or practice to mitigate or remove this negative impact?	No
7	If your activity is provided by a partner, private or voluntary sector organisation on a contract basis please list any arrangements have you made or plan to make to help ensure that these comply with equality.	N/A
8	How will it help ensure that information about this policy or activity is accessible to equality groups.	The Business Plan for 2014/2015 is available on Cherwell District Council's website.
9	If this strategy, policy or service development impacts upon other services please list which services and what arrangements have been made.	N/A
10	Have you compared your policy or activity with similar local authorities, if so with what results?	The Business Plan is relevant to the local area so the content of this has not been compared to similar local authorities. The performance against the Business Plan is monitored and comparisons made.
11	Please list any consultation with equality groups in support of the above equality duties.	Covered as per the Corporate Consultation Process
12	Please list the equality groups you have consulted with.	Covered as per the Corporate Consultation Process.
13	Please list in your Improvement Plan any changes to your policy or activity that you have made, or you plan to make as a result of consultation with different equality groups.	Please see below action list.
16	Who has agreed these recommendations?	To be agreed by the Cherwell DC Executive Committee.
17	How is it intended to monitor and report on the impact of this	Please see below action list

	assessment?	
18	Please list any performance targets relating to equality that your policy or activity includes.	Performance targets will be identified via specific EIA's .
19	Please list any changes to your policy or activity that you have made or plan to make as a result of monitoring.	N/A
20	Please list any staff training issues on equality arising from this assessment, (and include this in your improvement plan).	N/A – however equalities e-learning is available to all staff as a refresher and is mandatory for all new employees to the Council as part of the council's training and development policy.
21	How do you plan to publicise the results of this assessment? Include this in the Improvement Plan.	EIA to be published on Cherwell District Council's website.

Notes:

1. The in-depth (full) assessment must consider all available data and research. This could include the results of employee or stakeholder surveys, the results of consultation, audits, service reviews, employment monitoring data, population data, research findings, and data collected through monitoring the implementation of the policy or activity and evaluations of projects/programmes, data about the performance of local services.
2. The assessment above must also state how the policy was assessed and the details of the methods of involvement of appropriate people, for example, staff networks, external stakeholders and equality groups.

Completed by: Caroline French
Role: Corporate Policy Officer
Date: completed: 22nd January 2014

Declaration

I am satisfied that an In Depth (Full) Assessment has been undertaken. I understand that this EIA is required by the Council and take responsibility for its completion and quality.

Countersigned by: Clare Taylor,
Date:

Part 3 - Assessment of Potential Negative Impacts and Desired Positive Outcomes

Potential Negative Impact	Mitigation
National Policy – Government Welfare Reform	Cherwell District Council believes this reform will continue to impact on specific equality groups during its roll out. As this is national policy Cherwell District Council will not be able to take any mitigating actions but will ensure effective communication to all equality groups as and when impacts become clear.
Secure significant savings taking into account of the national changes to Local Government Funding	<p>Due to on-going financial constraints within local government funding the Business Plan contains an assumed target with regards to savings. This will become clearer as our medium term financial assumptions are formalised.</p> <p>The impact of any savings identified will be considered in year and subject to service specific EIAs where appropriate.</p>

Objective	Desired Positive Outcomes
Deliver the Brighter Futures in Banbury Programme	2014/2015 will see further successful delivery of the Brighter Futures in Banbury project which aims to break the cycle of deprivation and address health inequalities in the three most deprived areas of Banbury.
Continue to provide a wide range of recreational activities and opportunities for young people across the district.	Recreation and Sport activators will continue to work in areas of deprivation and hard to reach groups to support young people and integrate them into positive activities local to them.

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CHERWELL DISTRICT COUNCIL
COLLECTION FUND : REVISED ESTIMATES 2013-14

COUNCIL TAX:**£.pp****(SURPLUS)/ DEFICIT AS AT 1 APRIL 2013**

Oxfordshire County Council	(1,145,002.28)
Thames Valley Police Authority	(152,080.85)
Cherwell District Council/ODPM	(200,615.74)
	<u>(1,497,698.87)</u>

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

Oxfordshire County Council	1,222,981.25
Thames Valley Police Authority	162,438.15
Cherwell District Council	215,058.90
	<u>1,600,478.30</u>

INCOME FOR THE YEAR:

Income From Council Tax	(67,972,475.90)
Money due from DCLG CTR scheme (90% of CTR assuming 10% cut in monies)	(6,339,172.65)
	<u>(74,311,648.56)</u>

Income From Non-Domestic Rates	<u>0.00</u>
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TOTAL INCOME FOR THE YEAR**(74,311,648.56)****EXPENDITURE FOR THE YEAR:****Precepts and Demands:**

Oxfordshire County Council	55,298,386.00
Thames Valley Police Authority	7,345,239.00
Cherwell District Council: General Purposes	5,763,992.00
Cherwell District Council: Town & Parish Council Precepts	3,789,152.00
	<u>72,196,769.00</u>

Non-Domestic Rates:

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

Provision For Appeals and Non-collection	<u>61,030.11</u>
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Write off of Bad Debts	<u>192,915.62</u>
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TOTAL EXPENDITURE FOR THE YEAR**72,450,714.73****(SURPLUS)/ DEFICIT FOR THE YEAR****(1,860,933.83)****DIVISION OF (SURPLUS)/ DEFICIT FOR THE YEAR**

Oxfordshire County Council
Thames Valley Police Authority
Cherwell District Council/ODPM

(1,425,363.47)
(189,329.85)
(246,240.50)
(1,860,933.82)

ESTIMATED (SURPLUS)/ DEFICIT AS AT 31 MARCH 2014

(1,758,154.40)

DIVISION OF (SURPLUS)/ DEFICIT AS AT 31 MARCH

Oxfordshire County Council
Thames Valley Police Authority
Cherwell District Council/DTLR

(1,346,640.60)
(178,873.16)
(232,640.62)
(1,758,154.38)

CHERWELL DISTRICT COUNCIL

Treasury Management Strategy

Minimum Revenue Provision Policy Statement and
Annual Investment Statement

2014-15

1. Introduction

1.1 Background

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

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

CIPFA defines treasury management as:

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

1.2 Reporting requirements

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

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

- the capital plans (including prudential indicators);
- a Minimum Revenue Provision Policy (how residual capital expenditure is charged to revenue over time)
- the Treasury Management Strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

Report 2 - A Mid Year Treasury Management Report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is meeting the strategy or whether any policies require revision. In addition the Accounts Audit and Risk Committee will receive quarterly update reports.

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

Scrutiny

The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Accounts Audit and Risk Committee.

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1.3 Treasury Management Strategy for 2014-15

The strategy for 2014-15 covers two main areas:

Treasury management Issues

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

Capital Issues

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

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

1.4 Training

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

The Council's approach is:

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

The training needs of treasury management officers are periodically reviewed.

1.5 Treasury Management Consultants

The Council uses Capita Asset Services, Treasury as its external treasury management advisors.

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

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

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2. Capital Prudential Indicators 2014-15 – 2016/17

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans are reflected in prudential indicators, which are designed to assist members overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital expenditure £'000	2012/13 Actual	2013/14 Estimate	2014-15 Estimate	2015/16 Estimate	2016/17 Estimate
Total	11,172	5,000	22,300	2,600	1,500

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Capital expenditure £'000	2012/13 Actual	2013/14 Estimate	2014-15 Estimate	2015/16 Estimate	2016/17 Estimate
Total	11,172	5,000	22,300	2,600	1,500
Financed by:					
Capital receipts	(9,617)	(4,225)	(21,525)	(1,825)	(725)
Capital grants	(544)	(375)	(375)	(375)	(375)
Reserves funded through Revenue	(446)	(400)	(400)	(400)	(400)
Donated asset Contribution	(565)	(0)	(0)	(0)	(0)
Net financing need for the year	0	0	0	0	0

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life.

The Council is asked to approve the CFR projections below:

£'000	2012/13 Actual	2013/14 Estimate	2014-15 Estimate	2015/16 Estimate	2016/17 Estimate
Capital Financing Requirement					
Total CFR	-3,152	-3,152	-3,152	-3,152	-3,152
Movement in CFR	0	0	0	0	0

Movement in CFR represented by					
Net financing need for the year (above)	0	0	0	0	0
Less MRP/VRP and other financing movements	0	0	0	0	0
Movement in CFR	0	0	0	0	0

2.3 Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

CLG regulations have been issued which require the full Council to approve an **MRP Statement** in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement.

From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be either:

- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);
- **Depreciation method** – MRP will follow standard depreciation accounting procedures (option 4);

These options provide for a reduction in the borrowing need over approximately the asset's life.

Repayments included in annual PFI or finance leases are applied as MRP.

2.4 Core funds and expected investment balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

2.5 Affordability prudential indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

2.6 Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

%	2012/13 Actual %	2013/14 Estimate %	2014-15 Estimate %	2015/16 Estimate %	2016/17 Estimate %
Non-HRA	0	0	0	0	0

The estimates of financing costs include current commitments and the proposals in this budget report.

3 Borrowing

3.1 The council is currently debt free however the capital programme as detailed in section 2 demonstrates that Capital Receipts are diminishing. Future projects may require the need to borrow and for the council to enter into long term debt arrangements.

3.2 The Head of Finance and Procurement will monitor this situation and if and when there is a requirement to borrow outside of the operational and authorised limits as detailed below an updated version of this strategy will be prepared for member approval.

Treasury Indicators: limits to borrowing activity

3.3 The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary £'000	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Debt	£15m	£15m	£15m	£15m
Other long term liabilities	£0	£0	£0	£0
Total	£15m	£15m	£15m	£15m

The authorised limit for external debt. A further key prudential indicator represents a control on the maximum level of borrowing. This represents a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £'000	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Debt	£20m	£20m	£20m	£20m
Other long term liabilities	£0	£0	£0	£0
Total	£20m	£20m	£20m	£20m

4. Annual Investment Strategy

4.1 Investment Policy

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

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

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

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

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

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

Investment instruments identified for use in the financial year are listed in **Appendix 3** under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

4.2. Creditworthiness policy

This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modelling approach utilising credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;

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

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

- Yellow 5 years *
- Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

	Colour (and long term rating where applicable)	Money Limit	Time Limit
Banks *	yellow	£15m	5yrs
Banks	purple	£15m	2 yrs
Banks	orange	£15m	1 yr
Banks – part nationalised	blue	£15m	1 yr
Banks	red	£15m	6 mths
Banks	green	£15m	100 days
Banks	No colour	Not to be used	
DMADF	AAA	unlimited	6 months
Local authorities	n/a	£5m per auth	5 yrs
Money market funds	AAA	£10m per fund	liquid
Enhanced money market funds with a credit score of 1.25	Dark pink / AAA	£10m per fund	liquid
Enhanced money market funds with a credit score of 1.5	Light pink / AAA	£10m per fund	liquid

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

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

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

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

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

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch . The list of countries that qualify using this credit criteria as at the date of this report are shown in **Appendix 4**. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy

4.3 Investment Strategy

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

Investment returns expectations. Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from quarter 3 of 2016. Bank Rate forecasts for financial year ends (March) are:

- 2013/14 0.50%
- 2014-15 0.50%
- 2015/16 0.50%
- 2016/17 1.25%

There are upside risks to these forecasts (i.e. start of increases in Bank Rate occurs sooner) if economic growth remains strong and unemployment falls faster than expected. However, should the pace of growth fall back, there could be downside risk, particularly if Bank of England inflation forecasts for the rate of fall of unemployment were to prove to be too optimistic.

The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next four years are as follows:

2014-15	0.50%
2015/16	0.50%
2016/17	0.75%
2017/18	2.25%

Investment treasury indicator and limit - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the treasury indicator and limit: -

Maximum principal sums invested > 364 days			
£'000	2014-15	2015/16	2016/17
Principal sums invested > 364 days	15,000	15,000	15,000

For its cash flow generated balances, the Council will seek to utilise its instant access and notice accounts, money market funds and short-dated deposits in order to benefit from the compounding of interest.

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

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

4.5 End of year investment report

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

Appendix

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

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Appendix 1: Interest Rate Forecasts 2013-2017

Capita Asset Services Interest Rate View															
	Now	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Capita Asset Services Bank Rate View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%
3 Month LIBID	0.39%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.60%	0.70%	0.90%	1.00%
6 Month LIBID	0.47%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.70%	0.80%	1.00%	1.20%	1.40%
12 Month LIBID	0.75%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.90%	1.00%	1.20%	1.40%	1.60%	1.80%	2.00%
5yr PWLB Rate	2.38%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%
10yr PWLB Rate	3.52%	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
25yr PWLB Rate	4.29%	4.40%	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.20%
50yr PWLB Rate	4.33%	4.40%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.30%
Bank Rate															
Capita Asset Services	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.25%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
5yr PWLB Rate															
Capita Asset Services	2.38%	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%
UBS	2.38%	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	2.38%	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.50%	2.90%	3.30%	-	-	-	-	-
10yr PWLB Rate															
Capita Asset Services	3.52%	3.70%	3.70%	3.70%	3.80%	3.80%	3.90%	4.00%	4.10%	4.20%	4.30%	4.40%	4.50%	4.60%	4.60%
UBS	3.52%	3.90%	4.00%	4.00%	4.10%	4.10%	-	-	-	-	-	-	-	-	-
Capital Economics	3.52%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.80%	-	-	-	-	-
25yr PWLB Rate															
Capita Asset Services	4.29%	4.40%	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.20%
UBS	4.29%	4.40%	4.50%	4.50%	4.60%	4.60%	-	-	-	-	-	-	-	-	-
Capital Economics	4.29%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.35%	-	-	-	-	-
50yr PWLB Rate															
Capita Asset Services	4.33%	4.40%	4.40%	4.40%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.30%
UBS	4.33%	4.50%	4.50%	4.60%	4.60%	4.70%	-	-	-	-	-	-	-	-	-
Capital Economics	4.33%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.50%	-	-	-	-	-

Appendix 2: Economic Background

THE GLOBAL ECONOMY

The Eurozone. The sovereign debt crisis has eased during 2013 which has been a year of comparative calm after the hiatus of the Cyprus bailout in the spring. The EZ finally escaped from seven quarters of recession in quarter 2 of 2013 but growth is likely to remain weak and so will dampen UK growth. The ECB's pledge to buy unlimited amounts of bonds of countries which ask for a bail out, has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2012 figures) of 176% Greece, Italy 131%, Portugal 124%, Ireland 123% and Cyprus 110%, remain a cause of concern, especially as many of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are continuing to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US. Greece remains particularly vulnerable and continues to struggle to meet EZ targets for fiscal correction. Many commentators still view a Greek exit from the Euro as inevitable and there are concerns that austerity measures in Cyprus could also end up in forcing an exit. The question remains as to how much damage an exit by one country would do and whether contagion would spread to other countries. However, the longer a Greek exit is delayed, the less are likely to be the repercussions beyond Greece on other countries and on EU banks.

Sentiment in financial markets has improved considerably during 2013 as a result of firm Eurozone commitment to support struggling countries and to keep the Eurozone intact. However, the foundations to this current "solution" to the Eurozone debt crisis are still weak and events could easily conspire to put this into reverse. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries like Greece and Spain which have unemployment rates of over 26% and unemployment among younger people of over 50%. The Italian political situation is also fraught with difficulties in getting a viable coalition which will implement an EZ imposed austerity programme and undertake overdue reforms to government and the economy.

USA. The economy has managed to return to reasonable growth in Q2 2013 of 2.5% y/y in spite of the fiscal cliff induced sharp cuts in federal expenditure that kicked in on 1 March, and increases in taxation. The Federal Reserve has continued to provide huge stimulus to the economy through its \$85bn per month asset purchases programme of quantitative easing. However, it is expected that this level of support will start to be tapered down by the end of 2013. It has also pledged not to increase the central rate until unemployment falls to 6.5%; this is probably unlikely to happen until early 2015. Consumer, investor and business confidence levels have improved markedly in 2013. The housing market has turned a corner and house sales and increases in house prices have returned to healthy levels. Many house owners have therefore been helped to escape from negative equity and banks have also largely repaired their damaged balance sheets so that they can resume healthy levels of lending. All this portends well for a reasonable growth rate looking forward.

China. Concerns that Chinese growth could be heading downwards have been allayed by recent stronger statistics. There are still concerns around an unbalanced economy which is heavily dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also increasing concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

Japan. The initial euphoria generated by “Abenomics”, the huge QE operation instituted by the Japanese government to buy Japanese debt, has tempered as the follow through of measures to reform the financial system and introduce other economic reforms, appears to have stalled. However, at long last, Japan has seen strong growth of 4% in the first two quarters of 2013 which portends well for the hopes that Japan can escape from the bog of stagnation and help support world growth. The fiscal challenges though are huge; the gross debt to GDP ratio is about 245% in 2013 while the government is currently running an annual fiscal deficit of around 50% of total government expenditure. Within two years, the central bank will end up purchasing about Y190 trillion (£1,200 billion) of government debt. In addition, the population is ageing due to a low birth rate and will fall from 128m to 100m by 2050.

THE UK ECONOMY

Economic growth. Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history. However, growth rebounded in quarter 1 (+0.3%) and 2 (+0.7%) of 2013 to surpass all expectations as all three main sectors, services, manufacturing and construction contributed to this strong upturn. The August 2013 Bank of England Inflation Report consequently upgraded growth forecasts for 2013 from 1.2% to 1.4% and for 2014 from 1.7% to 2.5%. However, Bank Governor Mark Carney put this into perspective by describing this welcome increase as not yet being “escape velocity” to ensure we return to strong AND sustainable growth. So very encouraging - yes, but, still a long way to go! However, growth is expected to be strong for the immediate future. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth.

Forward guidance. The Bank of England also issued forward guidance with this Inflation Report which said that the Bank will not start to consider raising interest rates until the jobless rate (Labour Force Survey / ILO i.e. not the claimant count measure) has fallen to 7% or below. This would require the creation of about 750,000 jobs and was forecast to take three years. The UK unemployment rate currently stands at 2.5 million i.e. 7.7 % on the LFS / ILO measure. The Bank's guidance is subject to three provisos, mainly around inflation; breaching any of them would sever the link between interest rates and unemployment levels. This actually makes forecasting Bank Rate much more complex given the lack of available reliable forecasts by economists over a three year

plus horizon. The recession since 2007 was notable for how unemployment did NOT rise to the levels that would normally be expected in a major recession and the latest Inflation Report noted that productivity had sunk to 2005 levels. There has therefore been a significant level of retention of labour, which will mean that a significant amount of GDP growth can be accommodated without a major reduction in unemployment. The forecast in this report for Bank Rate not to start increasing until quarter 3 of 2016 is based on a slow reduction of unemployment, (in line with the Bank of England's forecast), and contrary to the prevalent market view where rates are indicating that Bank Rate is expected to start going up in early 2015.

Credit conditions. While Bank Rate has remained unchanged at 0.5% and quantitative easing has remained unchanged at £375bn in 2013, the Funding for Lending Scheme (FLS), aimed at encouraging banks to expand lending to small and medium size enterprises, has been extended. The FLS certainly seems to be having a positive effect in terms of encouraging house purchases (though levels are still far below the pre-crisis level), FLS is also due to be bolstered by the second phase of Help to Buy aimed to support purchasing of second hand properties, which is now due to start in October 2013. While there have been concerns that these schemes are creating a bubble in the housing market, the housing market remains weak outside of London and the south-east with a significant increase in house prices either being entirely absent or minimal. However, bank lending to small and medium enterprises continues to remain weak and inhibited by banks still repairing their balance sheets and anticipating tightening of regulatory requirements.

Inflation. Inflation has fallen from a peak of 3.1% in June 2013 to 2.7% in September. It is expected to fall back to reach the 2% target level within the two year horizon.

AAA rating. The UK has lost its AAA rating from Fitch and Moody's but that caused little market reaction.

Capita Asset Services forward view

Economic forecasting remains difficult with so many external influences weighing on the UK. Major volatility in bond yields is likely during the remainder of 2013/14 as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, and safer bonds.

Near-term, there is some residual risk of further QE - if there is a dip in strong growth or if the MPC takes action to do more QE in order to reverse the rapid increase in market rates, especially in gilt yields and interest rates up to 10 years. This could cause shorter-dated gilt yields and PWLB rates over the next year or two to significantly undershoot the forecasts in the table below. The failure in the US, (at the time of writing), over passing a Federal budget for the new financial year starting on 1 October, and the expected tension over raising the debt ceiling in mid October, could also see bond yields temporarily dip until any binding agreement is reached between the opposing Republican and Democrat sides. Conversely, the eventual start of tapering by the Fed could cause bond yields to rise.

The longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries.

Increasing investor confidence in economic recovery is also likely to compound this effect as a continuation of recovery will further encourage investors to switch back from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently weighted to the upside after five months of robust good news on the economy. However, only time will tell just how long this period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

Downside risks currently include:

- The conflict in the UK between market expectations of how quickly unemployment will fall as opposed to the Bank of England's forecasts
- Prolonged political disagreement over the US Federal Budget and raising the debt ceiling
- A return to weak economic growth in the US, UK and China causing major disappointment to investor and market expectations.
- The potential for a significant increase in negative reactions of populaces in Eurozone countries against austerity programmes, especially in countries with very high unemployment rates e.g. Greece and Spain, which face huge challenges in engineering economic growth to correct their budget deficits on a sustainable basis.
- The Italian political situation is frail and unstable.
- Problems in other Eurozone heavily indebted countries (e.g. Cyprus and Portugal) which could also generate safe haven flows into UK gilts.
- Monetary policy action failing to stimulate sustainable growth in western economies, especially the Eurozone and Japan.
- Weak growth or recession in the UK's main trading partners - the EU and US, depressing economic recovery in the UK.

The potential for upside risks to UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- A sharp upturn in investor confidence that sustainable robust world economic growth is firmly expected, causing a surge in the flow of funds out of bonds into equities.
- A reversal of Sterling's safe-haven status on a sustainable improvement in financial stresses in the Eurozone.
- Further downgrading by credit rating agencies of the creditworthiness and credit rating of UK Government debt, consequent upon repeated failure to achieve fiscal correction targets and sustained recovery of economic growth which could result in the ratio of total government debt to GDP to rise to levels that undermine investor confidence in the UK and UK debt.
- UK inflation being significantly higher than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.
- In the longer term – an earlier than currently expected reversal of QE in the UK; this could initially be implemented by allowing gilts held by the Bank to mature without reinvesting in new purchases, followed later by outright sale of gilts currently held.

Appendix 3: Treasury Management Practice (TMP1) - Credit and Counterparty Risk Management

SPECIFIED INVESTMENTS:

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

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

Term deposits with nationalised banks and banks and building societies

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

Collateralised deposit	UK sovereign rating	In-house and Fund Managers
Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee	Green	In-house and Fund Manager
Certificates of deposit issued by banks and building societies covered by UK Government (explicit) guarantee	Short-term F1, Long-term A, Viability BB+	Fund Manager
UK Government Gilts	UK sovereign rating	In house buy and hold and Fund Manager
Bonds issued by multilateral development banks	AA-	In house buy and hold and Fund Manager
Bond issuance issued by a financial institution which is explicitly guaranteed by the UK Government (refers solely to GEFCO - Guaranteed Export Finance Corporation)	UK sovereign rating	In house buy and hold and Fund Manager

Sovereign bond issues (other than the UK govt)	AA-	In house buy and hold and Fund Manager
Treasury Bills	UK sovereign rating	In house and Fund Manager
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -		
1. Government Liquidity Funds	AAA	In-house
2. Money Market Funds	AAA	In-house

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

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

. Maturities of ANY period

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

Appendix 4: Approved countries for investments

Based on lowest available rating

AAA

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

AA+

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

AA

- Abu Dhabi (UAE)

AA-

- Belgium
- Saudi Arabia

Appendix 5: Treasury management scheme of delegation

6.1 Full council

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

6.2 Executive

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

6.3 Accounts Audit & Risk Committee

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

6.4 Role of the section 151 officer

The S151 (responsible) officer

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

Appendix 6: Glossary

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

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

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

Yield	The rate of return on the current market value of an asset or liability, usually expressed as a percentage per annum. For example, today's yield to maturity of a bond measures the total return to an investor in the bond, reflecting both the interest income over the life of the bond and any capital gain (or loss) from today's market value to the redemption amount payable at maturity.
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Pay Policy Statement 2014-15

1. Definition and Scope

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

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

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

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

Chief Officer is defined as all officers employed by either Council on the JNC terms and conditions for Chief Officers. This includes all Members of the Joint Management Team (JMT) that is 1 Chief Executive, 4 Directors and 8 Heads of Service.

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

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

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

(and being seen as such).

2. Determination of Pay Levels

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

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

3. Determination of individual pay levels within grade

(a) On appointment

The Chief Executive is appointed to a spot salary of £126,250 per annum.

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

Director	
	£
DIR001	79,790
DIR002	82,315
DIR003	84,840
DIR004	87,365
DIR005	88,880

Head of Service	
HOS010	61,610
HOS011	62,620
HOS012	63,630
HOS013	64,640
HOS014	65,650
HOS015	66,660
HOS016	67,670
HOS017	68,680
HOS018	69,690
HOS019	70,700
HOS020	71,710
HOS021	72,720
HOS022	73,730

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

- Skills and experience

- Current salary
- Market factors

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

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

(b) Progression through the pay scales

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

(c) Additional pay

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

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

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

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

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

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

[http://www.cherwell.gov.uk/media/pdf/o/1/Statement of Accounts 2012 13 with audit opinion.pdf](http://www.cherwell.gov.uk/media/pdf/o/1/Statement_of_Accounts_2012_13_with_audit_opinion.pdf)

[http://www.southnorthants.gov.uk/Statement of Account Final Audited Version and audit opinion.pdf](http://www.southnorthants.gov.uk/Statement_of_Account_Final_Audited_Version_and_audit_opinion.pdf)

4. When employment ends

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

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

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

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

5. Terms and conditions of employment

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

6. Remuneration of the lowest paid employees

(a) Cherwell District Council

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

The lowest paid employee is on Grade 1A of the pay scheme. The current rate of pay for this post is £14,553 per annum (including 1.25% pay award for 2014/15).

The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 4.47.

(b) South Northamptonshire Council

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

The lowest paid employee is on Grade 12 SCP 1 of the scheme. The current rate of pay for this post is £13,664 per annum (pay award from the 1 April 2014 is subject to national negotiations so not yet determined).

The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 4.55.

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

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

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

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Cherwell District Council
Business Rates Retail Relief Policy

1. Introduction

The Government announced in the Autumn Statement on 5 December 2013 that it will provide relief of up to £1,000 to all occupied retail properties with a rateable value of £50,000 or less in each of the years 2014-2015 and 2015-2016.

2 Qualifying properties

Properties which will benefit from the relief are those which are occupied with a rateable value of £50,000 or less, that are wholly or mainly being used as shops, restaurants, cafes or drinking establishments.

The following types of businesses will qualify for the relief:

Type of business	Example
Shops	Florist, bakers, butchers, grocers, greengrocers, jewellers, stationers, off licence, chemists, newsagents, hardware stores and supermarkets
Charity shops	
Opticians	
Post offices	
Furnishing shops/display rooms	Carpet shops, double glazing and garage doors
Car/caravan show rooms	
Second hand car lots	
Markets	
Petrol stations	
Garden centres	
Art galleries (where art is for sale/hire)	
Hair and beauty services	Hairdressers, nail bars, beauty salons and tanning shops
Shoe repairs/key cutting	
Travel agents	
Ticket offices	
Dry cleaners	
Launderettes	
PC/TV and domestic appliance repair	
Funeral directors	
Photo processing	
DVD and video rentals	

Tool hire	
Car hire	
Restaurants	
Takeaways	
Sandwich shops	
Coffee shops	
Pubs	
Bars	

3. Properties not eligible for relief

There are certain types of business which are not eligible for Retail Rate Relief.

Financial services	Banks, building societies, cashpoints, bureau de change, payday lenders, betting shops and pawnbrokers
Other services	Estate agents, letting agents and employment agencies
Medical services	Vets, dentists, doctors, osteopaths and chiropractors
Professional services	Solicitors, accountants, insurance agents, financial advisers and tutors
Post Office sorting offices	

Properties that are not reasonably accessible to visiting members of the public are also not entitled to retail rate relief.

4. Claiming retail relief

We will automatically award retail relief if we consider your property meets the eligibility criteria and apply it your bill. We do, however, need to get you to make a “De Minimis” Declaration in relation to State Aid (see below) to confirm the award of the relief.

5. State Aid

Awards such as Retail Relief are required to comply with European Law on State Aid. State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. Retail Relief is, however, State Aid compliant where it is provided in accordance with the De Minimis Regulations. We have to establish the award will not result in you “the undertaking” having received more than €200,000 of De Minimis aid in a three year period and will send you a De Minimis Declaration form for completion and return.

6. How much relief will be available?

The total amount of government-funded relief available under the scheme is £1,000. The relief will be applied to the net bill after all other reliefs.

7. What if I occupy more than one property?

Ratepayers that occupy more than one property will be entitled to relief for each of their eligible properties subject to State Aid De Minimis limits.

8. How payments will be made

Relief awarded will be credited against the Business Rates Bill.

9. Right of Appeal

If you disagree with a decision made under this policy, you must write and tell us why you think the decision is wrong, i.e. whether you consider the published criteria have been properly applied.

We will take account of any information given in your appeal letter. We will decide whether or not the criteria have been properly applied. This is called 'reconsidering' the decision. We will write to tell you what has happened, normally within 7 days of decision.

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Cherwell District Council

Council

24 February 2014

Calculating the amounts of Council Tax for 2014-2015 and setting the Council Tax for 2014-2015

Report of the Chief Finance Officer and Interim Head of Finance and Procurement

This report is public

Purpose of report

To detail the Calculations for the amounts of Council Tax for 2014-15 and the setting of Council Tax for 2014-2015.

1.0 Recommendations

It is recommended that the Council resolves:-

- 1.1 That it be noted that at the Executive meeting held on 6 January 2014 the Council calculated the Council Tax Base 2014-15:
 - a) for the whole Council area as 47,609 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - b) For dwellings in those parts of its area to which a Parish Precept relates as in the attached Appendix 1.
- 1.2 That the Council Tax requirement for the Council's own purposes for 2014-15 (excluding Parish Precepts and Special Expenses) is £5,879,712.
- 1.3 That the following amounts be calculated for the year 2014-15 in accordance with Sections 31 to 36 of the Act:-
 - a) £69,336,279 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act, taking into account all precepts issued to it by Parish Councils and any additional special expenses.
 - b) £59,526,742 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

- c) £9,809,537 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the Act).
- d) £206.04 being the amount at 3(c) above (Item R), all divided by Item T (6(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish Precepts and Special Expenses);
- e) £3,929,825 being the aggregate amount of all special items (Parish Precepts and Special Expenses) referred to in Section 34(1) of the Act as per the attached Schedule 2.
- f) £123.50 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T(1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept or special item relates;

1.4 It be noted that for the year 2014-15 the Oxfordshire County Council and the Police and Crime Commissioner for Thames Valley have issued precepts to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each category of dwellings in the Council's area as indicated below :-

<u>Valuation Band</u>	Oxfordshire County Council	Police and Crime Commissioner for Thames Valley
	£	£
A	805.61	107.01
B	939.87	124.84
C	1,074.14	142.68
D	1,208.41	160.51
E	1,476.95	196.18
F	1,745.48	231.85
G	2,014.02	267.52
H	2,416.82	321.02

1.5 The Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the amounts shown in Appendix 2 as the amounts of Council Tax for the year 2014-15 for each part of its area and for each of the categories of dwellings.

1.6 The Council's basic amount of Council Tax for 2014-15 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

2.0 Introduction

- 2.1 Sections 31 to 36 of the Local Government Finance Act 1992 require each billing authority to calculate its own amount of tax for each category of dwellings in its area.
- 2.2 Section 30 of the 1992 Act requires each billing authority to set the amounts of tax for its area, including the amounts levied on it by way of precept from major precepting authorities.
- 2.3 It is proposed that Members consider the contents of this report and associated Appendices when making their decisions on the Council Tax setting at this meeting.

3.0 Report Details

Background Information

- 3.1 The Localism Act 2011 made significant changes to the Local Government Finance Act 1992, and now requires:-
 - a) the billing authority to calculate a Council Tax requirement for the year, not its budget requirement as previously.
 - b) the Council to confirm that its basic amount of Council Tax for 2014-15 is not excessive. This covers the requirements of Chapter 4ZA Local Government Finance Act 1992 – Referendums relating to Council Tax increases.
- 3.2 The Executive at its 3 February 2014 meeting recommended a Council Tax of £123.50 at Band D.
- 3.3 The Council is required to make resolutions in respect of the tax base (Appendix 1) and aggregate levels of Council Tax. The aggregate levels of Council Tax comprise the “basic amount” i.e. parish and district levy and inclusion of Oxfordshire County Council and Police and Crime Commissioner for Thames Valley (Appendix 1), amounts for each band (Appendix 2) The recommendations to give effect to the legal resolution of these items are necessarily framed.
- 3.4 The average parish council tax levy is £82.54. This compares to £81.19 in 2013-14, an increase of 1.7%.
- 3.5 The precept figures included for Police and Crime Commissioner for Thames Valley were approved on 31 January 2014 and the precept figures included for Oxfordshire County Council are subject to approval on 18 February 2014. If the precept figure for Oxfordshire County Council does alter this will change the total council tax payable in each band and an update will be circulated at the Full Council Meeting.

4.0 Conclusion and Reasons for Recommendations

- 4.1 This is a statutory report calculating and setting the Council Tax for Cherwell District Council for 2014-15.

5.0 Consultation

Cllr Ken Attack – Lead Member for Financial Management Cllr Attack is content with the report and supportive of the recommendations contained within it.

6.0 Alternative Options and Reasons for Rejection

- 6.1 It is the legal responsibility for the Council to set an agreed Council Tax by 11 March under section 32 of the Local Government Finance Act 1992.

The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To fail to consider this report and fail to meet the deadline prescribed in the Local Government Finance Act 1992 as detailed above.

7.0 Implications

Financial and Resource Implications

- 7.1 Financial effects – by setting tax levels in accordance with the recommendations, the tax set should raise the amount required to be met from the Collection Fund to pay the precepts to Oxfordshire County Council and Police and Crime Commissioner for Thames Valley as well as to meet this Council's demand, which includes local precepting authority precepts.

Members should be aware that Section 106 of the Local Government Finance Act 1992 applies to decisions made in accordance with this report.

Accordingly, 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

Comments checked by: Nicola Jackson, Corporate Finance Manager
01295 221731 nicola.jackson@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 It is the legal responsibility for the Council to set an agreed Council Tax by 11 March under section 31A and 31B of the Local Government Finance Act 1992.

Comments checked by: Kevin Lane, Head of Law and Governance
0300 0030107 kevin.lane@cherwellsouthnorthants.gov.uk

Risk management

- 7.3 Risk assessment – this report assumes that the estimates recommended for approval by the Executive, at its meeting held on 3 February 2013, are adopted by the Council.

Comments checked by: Nicola Jackson, Corporate Finance Manager
01295 221731 nicola.jackson@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillor

Councillor Ken Atack – Lead Member for Financial Management

Document Information

Appendix No	Title
1	Calculations Required by Sections 32 of 36 of the Local Government Finance Act 1992.
2	Council Tax Setting required by Section 30 of the 1992 Act.
Background Papers	
Provisional Precept Calculations from Oxfordshire County Council and Police and Crime Commissioner for Thames Valley	
Report Author	Tim Madden, Interim Head of Finance & Procurement
Contact Information	0300 0030106

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CALCULATIONS REQUIRED BY SECTIONS 32 to 36 OF THE LOCAL GOVERNMENT FINANCE ACT 1992															
2014/15	CALCULATIONS AT BAND D							TAX CALCULATED FOR EACH VALUATION BAND BY CHERWELL							
	Tax Base	PRECEPT PLUS grant	GRANT	PARISH PRECEPT	PARISH NEEDS	2014/15 CHERWELL NEEDS	TOTAL TAX CALCULATED	VALUATION BAND AND APPROPRIATE PROPORTION							
	2014/15	2014/15	2014/15	2014/15	NEEDS	NEEDS	£	6 A	7 B	8 C	9 D	11 E	13 F	15 G	18 H
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Adderbury	1,125	40,244.00	1,489.83	38,754.17	34.45	123.50	157.95	105.30	122.85	140.40	157.95	193.05	228.15	263.25	315.90
Ambrosden	586	11,409.28	174.28	11,235.00	19.17	123.50	142.67	95.11	110.97	126.82	142.67	174.37	206.08	237.78	285.34
Ardley	254	12,450.00	380.31	12,069.69	47.52	123.50	171.02	114.01	133.02	152.02	171.02	209.02	247.03	285.03	342.04
Arncott	368	14,287.42	1,037.42	13,250.00	36.01	123.50	159.51	106.34	124.06	141.79	159.51	194.96	230.40	265.85	319.02
Banbury	12,778	1,783,845.50	223,396.20	1,560,449.30	122.12	123.50	245.62	163.75	191.04	218.33	245.62	300.20	354.78	409.37	491.24
Barford	256	7,000.32	28.32	6,972.00	27.23	123.50	150.73	100.49	117.23	133.98	150.73	184.23	217.72	251.22	301.46
Begbroke	359	26,063.00	72.44	25,990.56	72.40	123.50	195.90	130.60	152.37	174.13	195.90	239.43	282.97	326.50	391.80
Bicester	9,691	1,104,370.48	61,715.79	1,042,654.69	107.59	123.50	231.09	154.06	179.74	205.41	231.09	282.44	333.80	385.15	462.18
Blackthorn	142	11,047.16	299.16	10,748.00	75.69	123.50	199.19	132.79	154.93	177.06	199.19	243.45	287.72	331.98	398.38
Blithington	328	18,031.34	1,031.34	17,000.00	51.83	123.50	175.33	116.89	136.37	155.85	175.33	214.29	253.25	292.22	350.66
Boxham	1,348	61,844.28	1,084.28	60,760.00	45.07	123.50	168.57	112.38	131.11	149.84	168.57	206.03	243.49	280.95	337.14
Boxkote	878	24,883.00	738.60	24,144.40	27.50	123.50	151.00	100.67	117.44	134.22	151.00	184.56	218.11	251.67	302.00
Burton	289	9,274.41	274.41	9,000.00	31.14	123.50	154.64	103.09	120.28	137.46	154.64	189.00	223.37	257.73	309.28
Broughton	119	3,763.85	263.85	3,500.00	29.41	123.50	152.91	101.94	118.93	135.92	152.91	186.89	220.87	254.85	305.82
Bucknell	102	5,117.00	357.03	4,759.97	46.67	123.50	170.17	113.45	132.35	151.26	170.17	207.99	245.80	283.62	340.34
Caersfield	441	4,105.27	77.27	4,028.00	9.13	123.50	132.63	88.42	103.16	117.89	132.63	162.10	191.58	221.05	265.26
Charlton on Otmoor	190	5,844.97	94.97	5,750.00	30.26	123.50	153.76	102.51	119.59	136.68	153.76	187.93	222.10	256.27	307.52
Chesterton	551	15,000.57	591.57	14,409.00	26.15	123.50	149.65	99.77	116.39	133.02	149.65	182.91	216.16	249.42	299.30
Claydon	131	4,100.40	93.40	4,007.00	30.59	123.50	154.09	102.73	119.85	136.97	154.09	188.33	222.57	256.82	308.18
Cottisford	67	0.00	0.00	0.00	0.00	123.50	123.50	82.33	96.06	109.78	123.50	150.94	178.39	205.83	247.00
Cropredy	298	10,000.00	377.16	9,622.84	32.29	123.50	155.79	103.86	121.17	138.48	155.79	190.41	225.03	259.65	311.58
Deddington	883	35,431.00	1,745.54	33,685.46	38.15	123.50	161.65	107.77	125.73	143.69	161.65	197.57	233.49	269.42	323.30
Drayton	89	5,000.00	217.80	4,782.20	53.73	123.50	177.23	118.15	137.85	157.54	177.23	216.61	256.00	295.38	354.46
Duns Tew	226	11,164.62	304.62	10,860.00	48.05	123.50	171.55	114.37	133.43	152.49	171.55	209.67	247.79	285.92	343.10
Epwell	137	3,442.00	99.06	3,342.94	24.40	123.50	147.90	98.60	115.03	131.47	147.90	180.77	213.63	246.50	295.80
Fencot and Murcott	128	3,000.00	21.32	2,978.68	23.27	123.50	146.77	97.85	114.15	130.46	146.77	179.39	212.00	244.62	293.54
Finmere	217	6,050.00	0.00	6,050.00	27.88	123.50	151.38	100.92	117.74	134.56	151.38	185.02	218.66	252.30	302.76
Fringford	254	11,107.09	617.09	10,490.00	41.30	123.50	164.80	109.87	128.18	146.49	164.80	201.42	238.04	274.67	329.60
Fritwell	309	6,500.00	439.09	6,060.91	19.61	123.50	143.11	95.41	111.31	127.21	143.11	174.91	206.71	238.52	286.22

CALCULATIONS REQUIRED BY SECTIONS 32 to 36 OF THE LOCAL GOVERNMENT FINANCE ACT 1992																	
2014/15	CALCULATIONS AT BAND D							TAX CALCULATED FOR EACH VALUATION BAND BY CHERWELL									
	Tax Base	PRECEPT PLUS grant	GRANT	PARISH PRECEPT	PARISH NEEDS	2014/15 TOTAL TAX	VALUATION BAND AND APPROPRIATE PROPORTION										
	2014/15	2014/15	2014/15	2014/15	NEEDS	NEEDS CALCULATED	6	7	8	9	11	13	15	18			
	£	£	£	£	£	£	A	B	C	D	E	F	G	H			
Godington	21	0.00	0.00	0.00	0.00	123.50	123.50	82.33	96.06	109.78	123.50	150.94	178.39	205.83	247.00		
Gosford and Water Eaton	526	18,324.30	688.19	17,636.11	33.53	123.50	157.03	104.69	122.13	139.58	157.03	191.93	226.82	261.72	314.06		
Hampton Gay and Poyle	78	1,262.95	12.95	1,250.00	16.03	123.50	139.53	93.02	108.52	124.03	139.53	170.54	201.54	232.55	279.06		
Hanwell	122	6,000.00	278.58	5,721.42	46.90	123.50	170.40	113.60	132.53	151.47	170.40	208.27	246.13	284.00	340.80		
Hardwick with Tusmore	37	0.00	0.00	0.00	0.00	123.50	123.50	82.33	96.06	109.78	123.50	150.94	178.39	205.83	247.00		
Hethe	106	3,958.27	358.27	3,600.00	33.96	123.50	157.46	104.97	122.47	139.96	157.46	192.45	227.44	262.43	314.92		
Hook Norton	884	53,998.46	1,998.46	52,000.00	58.82	123.50	182.32	121.55	141.80	162.06	182.32	222.84	263.35	303.87	364.64		
Horley	160	7,059.87	4.87	7,055.00	44.09	123.50	167.59	111.73	130.35	148.97	167.59	204.83	242.07	279.32	335.18		
Hornton	161	7,000.33	151.33	6,849.00	42.54	123.50	166.04	110.69	129.14	147.59	166.04	202.94	239.84	276.73	332.08		
Horton cum Studley	242	6,020.38	20.38	6,000.00	24.79	123.50	148.29	98.86	115.34	131.81	148.29	181.24	214.20	247.15	296.58		
Istow	312	17,628.00	412.93	17,215.07	55.18	123.50	178.68	119.12	138.97	158.83	178.68	218.39	258.09	297.80	357.36		
Kington	4,645	614,829.34	39,405.34	575,424.00	123.88	123.50	247.38	164.92	192.41	219.89	247.38	302.35	357.33	412.30	494.76		
Kington	439	18,000.00	368.68	17,631.32	40.16	123.50	163.66	109.11	127.29	145.48	163.66	200.03	236.40	272.77	327.32		
Leinton	486	15,500.00	636.09	14,863.91	30.58	123.50	154.08	102.72	119.84	136.96	154.08	188.32	222.56	256.80	308.16		
Lower Heyford	208	9,352.30	402.30	8,950.00	43.03	123.50	166.53	111.02	129.52	148.03	166.53	203.54	240.54	277.55	333.06		
Merton	141	7,719.00	0.00	7,719.00	54.74	123.50	178.24	118.83	138.63	158.44	178.24	217.85	257.46	297.07	356.48		
Middle Aston	65	0.00	0.00	0.00	0.00	123.50	123.50	82.33	96.06	109.78	123.50	150.94	178.39	205.83	247.00		
Middleton Stoney	146	3,291.09	91.09	3,200.00	21.92	123.50	145.42	96.95	113.10	129.26	145.42	177.74	210.05	242.37	290.84		
Milcombe	215	10,166.83	466.83	9,700.00	45.12	123.50	168.62	112.41	131.15	149.88	168.62	206.09	243.56	281.03	337.24		
Milton	117	60.00	17.90	42.10	0.36	123.50	123.86	82.57	96.34	110.10	123.86	151.38	178.91	206.43	247.72		
Mixbury	116	0.00	0.00	0.00	0.00	123.50	123.50	82.33	96.06	109.78	123.50	150.94	178.39	205.83	247.00		
Mollington	225	8,600.00	0.00	8,600.00	38.22	123.50	161.72	107.81	125.78	143.75	161.72	197.66	233.60	269.53	323.44		
Newton Purcell	43	0.00	0.00	0.00	0.00	123.50	123.50	82.33	96.06	109.78	123.50	150.94	178.39	205.83	247.00		
Noke	77	2,750.00	0.00	2,750.00	35.71	123.50	159.21	106.14	123.83	141.52	159.21	194.59	229.97	265.35	318.42		
North Aston	93	620.71	20.71	600.00	6.45	123.50	129.95	86.63	101.07	115.51	129.95	158.83	187.71	216.58	259.90		
North Newington	148	4,577.70	77.70	4,500.00	30.41	123.50	153.91	102.61	119.71	136.81	153.91	188.11	222.31	256.52	307.82		
Oddington	65	0.00	0.00	0.00	0.00	123.50	123.50	82.33	96.06	109.78	123.50	150.94	178.39	205.83	247.00		
Piddington	167	6,222.92	261.02	5,961.90	35.70	123.50	159.20	106.13	123.82	141.51	159.20	194.58	229.96	265.33	318.40		
Prescote	6	0.00	0.00	0.00	0.00	123.50	123.50	82.33	96.06	109.78	123.50	150.94	178.39	205.83	247.00		
Shenington	217	4,142.93	99.93	4,043.00	18.63	123.50	142.13	94.75	110.55	126.34	142.13	173.71	205.30	236.88	284.26		
Shipton on Cherwell	140	4,500.00	174.42	4,325.58	30.90	123.50	154.40	102.93	120.09	137.24	154.40	188.71	223.02	257.33	308.80		
Shutford	201	6,000.00	250.73	5,749.27	28.60	123.50	152.10	101.40	118.30	135.20	152.10	185.90	219.70	253.50	304.20		
Sibford Ferris	188	6,904.24	46.24	6,858.00	36.48	123.50	159.98	106.65	124.43	142.20	159.98	195.53	231.08	266.63	319.96		
Sibford Gower	246	6,400.00	192.49	6,207.51	25.23	123.50	148.73	99.15	115.68	132.20	148.73	181.78	214.83	247.88	297.46		
Somerton	138	6,000.00	44.72	5,955.28	43.15	123.50	166.65	111.10	129.62	148.13	166.65	203.68	240.72	277.75	333.30		

2014/15	COUNCIL TAX SETTING REQUIRED BY SECTION 30 OF THE 1992 ACT							
	COUNCIL TAX SET FOR EACH VALUATION BAND							
	VALUATION BAND AND APPROPRIATE PROPORTION							
	6 A £	7 B £	8 C £	9 D £	11 E £	13 F £	15 G £	18 H £
Adderbury	1,017.92	1,187.56	1,357.22	1,526.87	1,866.18	2,205.48	2,544.79	3,053.74
Ambrosden	1,007.73	1,175.68	1,343.64	1,511.59	1,847.50	2,183.41	2,519.32	3,023.18
Ardley	1,026.63	1,197.73	1,368.84	1,539.94	1,882.15	2,224.36	2,566.57	3,079.88
Arncott	1,018.96	1,188.77	1,358.61	1,528.43	1,868.09	2,207.73	2,547.39	3,056.86
Banbury	1,076.37	1,255.75	1,435.15	1,614.54	1,973.33	2,332.11	2,690.91	3,229.08
Barford	1,013.11	1,181.94	1,350.80	1,519.65	1,857.36	2,195.05	2,532.76	3,039.30
Begbroke	1,043.22	1,217.08	1,390.95	1,564.82	1,912.56	2,260.30	2,608.04	3,129.64
Bicester	1,066.68	1,244.45	1,422.23	1,600.01	1,955.57	2,311.13	2,666.69	3,200.02
Blackthorn	1,045.41	1,219.64	1,393.88	1,568.11	1,916.58	2,265.05	2,613.52	3,136.22
Bletchington	1,029.51	1,201.08	1,372.67	1,544.25	1,887.42	2,230.58	2,573.76	3,088.50
Bloxham	1,025.00	1,195.82	1,366.66	1,537.49	1,879.16	2,220.82	2,562.49	3,074.98
Bodicote	1,013.29	1,182.15	1,351.04	1,519.92	1,857.69	2,195.44	2,533.21	3,039.84
Bourton	1,015.71	1,184.99	1,354.28	1,523.56	1,862.13	2,200.70	2,539.27	3,047.12
Broughton	1,014.56	1,183.64	1,352.74	1,521.83	1,860.02	2,198.20	2,536.39	3,043.66
Bucknell	1,026.07	1,197.06	1,368.08	1,539.09	1,881.12	2,223.13	2,565.16	3,078.18
Caversfield	1,001.04	1,167.87	1,334.71	1,501.55	1,835.23	2,168.91	2,502.59	3,003.10
Charlton on Otmoor	1,015.13	1,184.30	1,353.50	1,522.68	1,861.06	2,199.43	2,537.81	3,045.36
Chesterton	1,012.39	1,181.10	1,349.84	1,518.57	1,856.04	2,193.49	2,530.96	3,037.14
Claydon	1,015.35	1,184.56	1,353.79	1,523.01	1,861.46	2,199.90	2,538.36	3,046.02
Cottisford	994.95	1,160.77	1,326.60	1,492.42	1,824.07	2,155.72	2,487.37	2,984.84
Cropredy	1,016.48	1,185.88	1,355.30	1,524.71	1,863.54	2,202.36	2,541.19	3,049.42
Deddington	1,020.39	1,190.44	1,360.51	1,530.57	1,870.70	2,210.82	2,550.96	3,061.14
Drayton	1,030.77	1,202.56	1,374.36	1,546.15	1,889.74	2,233.33	2,576.92	3,092.30
Duns Tew	1,026.99	1,198.14	1,369.31	1,540.47	1,882.80	2,225.12	2,567.46	3,080.94
Epwell	1,011.22	1,179.74	1,348.29	1,516.82	1,853.90	2,190.96	2,528.04	3,033.64
Fencott and Murcott	1,010.47	1,178.86	1,347.28	1,515.69	1,852.52	2,189.33	2,526.16	3,031.38
Finnere	1,013.54	1,182.45	1,351.38	1,520.30	1,858.15	2,195.99	2,533.84	3,040.60
Fringford	1,022.49	1,192.89	1,363.31	1,533.72	1,874.55	2,215.37	2,556.21	3,067.44
Fritwell	1,008.03	1,176.02	1,344.03	1,512.03	1,848.04	2,184.04	2,520.06	3,024.06
Godington	994.95	1,160.77	1,326.60	1,492.42	1,824.07	2,155.72	2,487.37	2,984.84
Gosford and Water Eaton	1,017.31	1,186.84	1,356.40	1,525.95	1,865.06	2,204.15	2,543.26	3,051.90
Hampton Gay and Poyle	1,005.64	1,173.23	1,340.85	1,508.45	1,843.67	2,178.87	2,514.09	3,016.90
Hanwell	1,026.22	1,197.24	1,368.29	1,539.32	1,881.40	2,223.46	2,565.54	3,078.64
Hardwick with Tusmore	994.95	1,160.77	1,326.60	1,492.42	1,824.07	2,155.72	2,487.37	2,984.84
Hethe	1,017.59	1,187.18	1,356.78	1,526.38	1,865.58	2,204.77	2,543.97	3,052.76
Hook Norton	1,034.17	1,206.51	1,378.88	1,551.24	1,895.97	2,240.68	2,585.41	3,102.48
Horley	1,024.35	1,195.06	1,365.79	1,536.51	1,877.96	2,219.40	2,560.86	3,073.02
Hornton	1,023.31	1,193.85	1,364.41	1,534.96	1,876.07	2,217.17	2,558.27	3,069.92
Horton cum Studley	1,011.48	1,180.05	1,348.63	1,517.21	1,854.37	2,191.53	2,528.69	3,034.42
Islip	1,031.74	1,203.68	1,375.65	1,547.60	1,891.52	2,235.42	2,579.34	3,095.20
Kidlington	1,077.54	1,257.12	1,436.71	1,616.30	1,975.48	2,334.66	2,693.84	3,232.60
Kirtlington	1,021.73	1,192.00	1,362.30	1,532.58	1,873.16	2,213.73	2,554.31	3,065.16
Launton	1,015.34	1,184.55	1,353.78	1,523.00	1,861.45	2,199.89	2,538.34	3,046.00
Lower Heyford	1,023.64	1,194.23	1,364.85	1,535.45	1,876.67	2,217.87	2,559.09	3,070.90
Merton	1,031.45	1,203.34	1,375.26	1,547.16	1,890.98	2,234.79	2,578.61	3,094.32
Middle Aston	994.95	1,160.77	1,326.60	1,492.42	1,824.07	2,155.72	2,487.37	2,984.84
Middleton Stoney	1,009.57	1,177.81	1,346.08	1,514.34	1,850.87	2,187.38	2,523.91	3,028.68
Milcombe	1,025.03	1,195.86	1,366.70	1,537.54	1,879.22	2,220.89	2,562.57	3,075.08
Milton	995.19	1,161.05	1,326.92	1,492.78	1,824.51	2,156.24	2,487.97	2,985.56
Mixbury	994.95	1,160.77	1,326.60	1,492.42	1,824.07	2,155.72	2,487.37	2,984.84
Mollington	1,020.43	1,190.49	1,360.57	1,530.64	1,870.79	2,210.93	2,551.07	3,061.28
Newton Purcell	994.95	1,160.77	1,326.60	1,492.42	1,824.07	2,155.72	2,487.37	2,984.84
Noke	1,018.76	1,188.54	1,358.34	1,528.13	1,867.72	2,207.30	2,546.89	3,056.26
North Aston	999.25	1,165.78	1,332.33	1,498.87	1,831.96	2,165.04	2,498.12	2,997.74
North Newington	1,015.23	1,184.42	1,353.63	1,522.83	1,861.24	2,199.64	2,538.06	3,045.66
Oddington	994.95	1,160.77	1,326.60	1,492.42	1,824.07	2,155.72	2,487.37	2,984.84
Piddington	1,018.75	1,188.53	1,358.33	1,528.12	1,867.71	2,207.29	2,546.87	3,056.24
Prescote	994.95	1,160.77	1,326.60	1,492.42	1,824.07	2,155.72	2,487.37	2,984.84
Shenington	1,007.37	1,175.26	1,343.16	1,511.05	1,846.84	2,182.63	2,518.42	3,022.10
Shipton on Cherwell	1,015.55	1,184.80	1,354.06	1,523.32	1,861.84	2,200.35	2,538.87	3,046.64
Shutford	1,014.02	1,183.01	1,352.02	1,521.02	1,859.03	2,197.03	2,535.04	3,042.04
Sibford Ferris	1,019.27	1,189.14	1,359.02	1,528.90	1,868.66	2,208.41	2,548.17	3,057.80

Sibford Gower	1,011.77	1,180.39	1,349.02	1,517.65	1,854.91	2,192.16	2,529.42	3,035.30
Somerton	1,023.72	1,194.33	1,364.95	1,535.57	1,876.81	2,218.05	2,559.29	3,071.14
Souldern	1,013.81	1,182.77	1,351.74	1,520.71	1,858.65	2,196.58	2,534.52	3,041.42
South Newington	1,020.91	1,191.04	1,361.20	1,531.35	1,871.66	2,211.95	2,552.26	3,062.70
Steeple Aston	1,030.56	1,202.31	1,374.07	1,545.83	1,889.35	2,232.87	2,576.39	3,091.66
Stoke Lyne	1,013.85	1,182.82	1,351.80	1,520.77	1,858.72	2,196.67	2,534.62	3,041.54
Stratton Audley	1,015.02	1,184.18	1,353.35	1,522.52	1,860.86	2,199.20	2,537.54	3,045.04
Swalcliffe	1,035.08	1,207.58	1,380.10	1,552.61	1,897.64	2,242.66	2,587.69	3,105.22
Tadmarton	1,013.62	1,182.54	1,351.49	1,520.42	1,858.30	2,196.16	2,534.04	3,040.84
Upper Heyford	1,021.10	1,191.27	1,361.46	1,531.64	1,872.01	2,212.37	2,552.74	3,063.28
Wardington	1,028.33	1,199.70	1,371.10	1,542.48	1,885.26	2,228.03	2,570.81	3,084.96
Wendlebury	1,009.45	1,177.68	1,345.93	1,514.17	1,850.66	2,187.14	2,523.62	3,028.34
Weston on the Green	1,015.26	1,184.46	1,353.67	1,522.88	1,861.30	2,199.72	2,538.14	3,045.76
Wiggington	1,011.90	1,180.54	1,349.19	1,517.84	1,855.14	2,192.44	2,529.74	3,035.68
Wroxton	1,008.78	1,176.90	1,345.03	1,513.16	1,849.42	2,185.68	2,521.94	3,026.32
Yarnton	1,033.47	1,205.71	1,377.96	1,550.20	1,894.69	2,239.18	2,583.67	3,100.40

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Cherwell District Council

Council

24 February 2014

<p>Section 113 Arrangements and shared ICT Service and Systems Policy Framework Decision</p>

Report of Chief Executive

This report is public

Purpose of report

To approve entering into a Section 113 agreement between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire Council and to add the principle of a shared ICT service and associated harmonisation of ICT business applications between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire to the policy framework.

1.0 Recommendations

The meeting is recommended:

- 1.1 To approve the entering into an agreement between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire Council pursuant to Section 113 of the Local Government Act 1972 and all other enabling powers so that employees can be placed at the disposal of the other Councils for the purposes of shared working and that the Head of Law and Governance, Cherwell and South Northamptonshire be authorised to complete such agreement in negotiation with the Head of Legal and Democratic Services at Stratford-on-Avon District Council.
- 1.2 To delegate authority to the Chief Executive (Cherwell and South Northamptonshire) to negotiate and approve a protocol – on the respective roles of members and officers and dealing with conflicts of interest in consultation with the Chief Executive (Stratford)
- 1.3 That the principle of shared working between Cherwell District Council, Stratford-on-Avon District Council and South Northamptonshire Council for the purpose of the proposed shared ICT service and associated harmonisation of ICT business applications be added to the adopted policy framework.

2.0 Introduction

- 2.1 Earlier this year, the Department of Communities and Local Government announced the creation of the Transformational Challenge fund and invited applications from councils and other public sector bodies to receive funding from the pot of £7m. The guidance issued at the time specifically referred to joint working and was encouraging new and innovative approaches to generating efficiencies. A report was presented to the 19 June 2013 meeting of the 3 Way Joint Arrangements Steering Group which supported officers submitting bids to support the three way working between Stratford-on-Avon District Council, Cherwell District Council and South Northamptonshire Council. Urgency powers were used at Stratford-on-Avon District Council and at South Northamptonshire Council and Cherwell District Council approval was sought from the Cabinet (8 July 2013) and the Executive (1 July 2013) to progress the submissions. Six joint bids were submitted covering a range of activities including ICT, procurement and another to support the programme office costs of driving and managing the changes associated with extending shared services working across the three councils.

3.0 Report Details

Section 113 Agreement

- 3.1 Due to the proposed governance and operational arrangements it will be necessary to enter into a Section 113 agreement between the three authorities. Cherwell and South Northamptonshire already have a Section 113 agreement in place to enable two way shared working which was agreed prior to the formation of the Joint Management Team and subsequently extended to cover any other shared service that was the subject of an approved business case. It should be noted that at Cherwell and South Northamptonshire each proposal for a shared service will still require agreement by Council to include this within the policy framework prior to consideration by Executive/Cabinet and agreement from the relevant Personnel Committee.
- 3.2 The authority to enter into such arrangements rests with Full Council. Similar authority was sought and granted by Council in December 2013 to facilitate the work of the Transformation Team. It is suggested that to ensure that shared service opportunities of working between Cherwell District Council, Stratford District Council and South Northamptonshire Council are not unduly delayed a wider authority is provided to enter into a Section 113 agreements for all services, subject to the approvals process outlined at 3.1 above. Additionally in order to facilitate the efficient and effective operation of the Section 113 it is recommended that a protocol on the respective roles of members and officers and dealing with conflicts of interest be put in place and approval delegated to the Chief Executive. A draft is set out in Appendix 1 to this report. A similar protocol has been in place at Cherwell and South Northamptonshire since 2011.

ICT Business Case

- 3.3 A business case proposing shared services and the harmonisation of business applications in relation to ICT has been prepared and recommended for consultation with the affected staff and trade unions, by the 3 way Joint Arrangements Steering Group, having been previously endorsed by the Transformation Working Group. Following consultation with the staff and trade unions the business case and responses to the consultation process will be put forward for consideration by the respective democratic decision making groups at each of the three councils.
- 3.4 Cherwell and South Northamptonshire have an existing shared service in place for ICT which has been in place since 2012. This arrangement was considered and approved following a strategy and business case which was prepared in conjunction with Methods Consulting, and resulted in the service which was previously outsourced at South Northamptonshire being brought back in-house, and the shared arrangements agreed.
- 3.5 The current proposal contained within the business case now extends this arrangement to cover all three councils, whilst also recommending the harmonisation of ICT business applications across the three councils in order to generate financial savings, more efficient ways of working, and further improvements to the customer experience of our approach to service delivery. The business case includes interim management arrangements relating to the shared service where it is proposed in the first instance that the Head of Customer Access (Stratford) would assume the lead as the Head of Service delivering ICT services, with the Head of Transformation, (Cherwell/ South Northamptonshire) acting as the commissioning lead for all three Councils.
- 3.6 Under the proposed arrangements all staff will continue to be employed at this stage by their individual authorities, however, under the proposed s113 agreement these staff would be placed at the disposal of any of the three authorities despite the lack of a direct employment relationship with two of them. It is also proposed that there is one management structure which would act across the three authorities.
- 3.7 The proposed arrangements are proposed to commence on or as near to 1 April 2014 as possible, and the plan would be to move to an operating model structure in the first instance before a more permanent structure across the three authorities is developed and agreed. This approach is more evolutionary than the existing shared services between Cherwell and South Northamptonshire, however, will give more time for thorough assessments of skills and competencies to be undertaken to inform the permanent arrangements.
- 3.8 Staff savings of at least £107,000 are initially estimated between the three authorities and in implementing this arrangement advantage will be taken of existing vacancies. Further savings of 10% to 20% are envisaged as the Councils' harmonise approaches to ICT solutions, this equates to further estimated savings of £140,000 to £280,000 for the three councils.

- 3.9 In addition to bringing together the two ICT services across the authorities the business case also proposes an on-going programme to harmonise systems and processes across the three authorities. This not only delivers efficiencies in the management of these systems from an ICT perspective, but also ensures that future shared service opportunities can be implemented in other areas.
- 3.10 An early example of this relates to the Financial Information System, where it is proposed that a joint procurement exercise is undertaken in relation to a replacement system and that when selected the system is implemented in a consistent manner across all three councils. The implementation date for the new system would be before 31 March 2015.
- 3.11 The Transformation Team which has recently been established will help review the areas to be addressed as part of their new role.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Given the unique opportunity provided by the Transformation Challenge Award, the need to ensure that appropriate governance arrangements are in place, to plan for the financial challenges ahead, and the need to demonstrate active progress in relation to three way working it is recommended that Council support the recommendations as set out in the report.

5.0 Consultation

3 way Transformation Working Group	This report has been considered and supported by the 3 Way Transformation Working Group.
3 Way Joint Arrangements Steering Group	This report has been prepared at the request of the 3 Way Joint Arrangements Steering Group
Chief Executives, Monitoring Officers and Section 151 Officers (CDC, SDC and SNC)	Consultation responses received have been included in this report.

6.0 Alternative Options and Reasons for Rejection

The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To agree the recommendations. This option is perceived to be in the best interests of the Councils.

Option 2: Not to agree the recommendations. This would not be in the interests of the Councils, will prohibit the realisation of savings and efficiencies and seriously compromise the Transformation Challenge Award funding and the reputation of all three councils as being exemplars for innovation.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no direct financial implications arising from this report. All financial implications will be included within the business cases that are brought forward and will be subject to full officer appraisal and considerations by the Executive and Cabinets.

Comments checked by:

Tim Madden, Interim Head of Finance and Procurement, 0300 003 0106
tim.madden@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 Section 113 of the Local Government Act 1972 permits an officer of one Council to be put at the disposal of another and the formal agreement proposed will set the legal parameters for all future three way shared service working that is approved between the three Councils.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 003 0107
Kevin.lane@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

An accessible value for money Council: Explore further opportunities with partners to share or provide services, reducing costs and maximising income (Cherwell District Council)

Enhance performance: Deliver the Council's transformation programme (South Northamptonshire Council)

Great value for money (Stratford-on-Avon District Council)

Lead Councillors

Councillor Nicholas Turner (CDC), Councillor Ian McCord (SNC), Councillor Stephen Thirlwell (SDC).

Document Information

Appendix No	Title
1	Protocol – The respective roles of members and officers and dealing with conflicts of interest
Background Papers	
None	
Report Author	James Doble
Contact Information	01295 221587 James.doble@cherwellandsouthnorthants.gov.uk

Appendix 1

The Respective Roles of Members and Officers and Dealing with Conflicts of Interest

Introduction

Cherwell District Council (CDC), Stratford-on-Avon District Council (SDC) and South Northamptonshire Council (SNC) intend to create shared teams. Shared officers will be dividing their time on an equal basis between the authorities (although peaks of work in one Council may result in short term variations from this) and will at all times act in the best interests of all the authorities. Underpinning this is an acknowledgment that where a smaller number of officers will be serving the organisations, there will be a need to reflect this new set of circumstances in the way in which officers have to operate.

Members of the authorities need to be sensitive to this change with regard to the respective roles of officers and members. In particular all members and officers need to be aware of the action to be taken when there is an actual or potential conflict of interest in acting for more than one authority.

Having a protocol of this nature is a requirement of the Section 113 agreement between the councils.

The role of Members

Full Council in all the authorities is collectively responsible for setting Council policy within the defined policy framework. All the authorities state their intention to remain sovereign bodies under the Section 113 agreement but in setting their own Council policy they will have regard to the views and policies of the other authorities and will endeavour to avoid adopting any policy which explicitly and overtly contradicts the policy of the other authority.

At neither authority are members directly involved in the day to day provision of services to the public but members of the Executive/Cabinets will have a close involvement with officers in dealing with the effectiveness of service provision. It is recognised that on occasion this may result in the need for immediate contact with officers but where practicable such contact will be on a managed basis. In order to make best use of officer and member time, there will be mutually managed contact between Executive/Cabinet members and officers on service provision where members pursue matters on behalf of their constituents.

As only Executive/Cabinet portfolio holders have executive authority/responsibilities as members all other members will need to pursue

matters with the appropriate portfolio holder or officer through a managed approach.

No member (portfolio holder or otherwise) should become involved in the day to day management or operation of the department, which shall be the responsibility of the service manager.

The role of Officers

Officers are equally accountable to the Council and the Executive/Cabinets of all three councils.

Officers are professional advisers on policy and carry out the instructions of the Council and the Executive/Cabinets as well as exercising powers that are delegated to them and taking operational decisions within their areas of responsibility. The possibility of conflict between the Councils arising from those policies and instructions should be minimised by identifying from the outset where potential conflict might arise and referring, if necessary, such conflict through the dispute resolution mechanism in the Section 113 agreement.

How these roles work in practice

Decisions on matters relating to each Council's policy framework are taken by members at meetings of full Council, usually after having considered the recommendations of the Executive/Cabinet or appropriate Committee which in turn considers the recommendations of the officers.

Decisions on policy matters within the relevant Council's policy framework are taken by the Executive/Cabinet having considered the recommendations of officers.

The Councils each have an adopted scheme of delegation. These schemes set out what is delegated to which body or officer, either conditionally or unconditionally. The Councils can each review their scheme of delegation at any time to ensure decisions are being taken at the appropriate level. The process of delegation ensures that members are not overloaded with relatively less important matters and can concentrate on important policy issues and the effectiveness of service provision and continuous improvement in service. Members who are not portfolio holders have an important role in representing the views of their constituents and ensuring through scrutiny that the Council's policies and plans are effectively delivered. Some members (portfolio holders and otherwise) have roles on regulatory committees dealing with matters such as planning and licensing.

To minimise the possibility of any conflict of interest, or defect in process, the schemes of delegations of the authorities should be harmonised so far as possible. Where differences need to remain there should be a clear business case for this.

It is recognised that there may be rare occasions in a regulatory context where it is not possible to reconcile the interests of the Councils with their respective legal responsibilities. Such conflicts shall be managed by ensuring that relevant officers in each Council are ring fenced from each other to ensure that due regard is taken of each Council's regulatory duties and the need for certain matters to remain confidential to one or other Council.

Statutory requirements

The Councils derive their powers from statute. Some of these are mandatory (i.e the Councils must do them) and some are discretionary (i.e the Councils may carry them out if they wish). In all cases members and officers of the authorities may only operate within the law.

Each council must have a Head of Paid Service, a Monitoring Officer and a Section 151 Officer. These officers have an obligation to act in the best interests of the authorities that has appointed them.

If any of these statutory posts consider that there is a conflict of interest within their area of responsibility which is affecting the ability of any of the Councils to function effectively the most appropriate statutory officer may take a report to any or all of the full Councils that appointed them setting out the conflict of interest and proposals for resolution.

Summary

Members are responsible for setting Council policy.

Officers are responsible for advising members on the setting of Council policy and for ensuring such policy is implemented.

The scheme of delegation determines which body or person deals with particular matters, and at which level decisions are taken.

The day to day management and operation of services is the responsibility of officers.

Where officers are dividing their time equally between the authorities members need to have regard to less time being available for their authority alone and the need to manage contact with officers to ensure the optimum use of both member and officer time.

If conflicts arise in relation to the respective regulatory duties of each Council steps will be taken to ensure the ring fencing of officers at each Council and the confidentiality of information as necessary.

Otherwise, where there is actual or potential conflict there are three routes depending on the nature of the conflict,

1. agree to pay for appropriate external support to advise any of the authorities.
2. refer the issue through the dispute mechanism in the section 113 agreement
3. the most appropriate statutory officer may refer the matter to any or all of the full Councils for resolution.

3 Way Version One 12 February 2014

Cherwell District Council

Council

24 February 2014

Calendar of Meetings 2014/15 and 2015/16

Report of Head of Law and Governance

This report is public

Purpose of report

Council is asked to consider the calendar of meetings for the municipal year 2014/15 and the municipal year 2015/16.

1.0 Recommendations

The meeting is recommended:

- 1.1 To approve the calendar of meetings for Cherwell District Council (CDC) for the municipal years 2014/15 (Appendix 1) and 2015/16 (Appendix 2).
- 1.2 To note the joint meetings calendar of meetings (Appendix 3).

2.0 Introduction

- 2.1 It is necessary for the Council to agree a Calendar of Meetings to enable the business of the Council to be programmed appropriately in conjunction with its statutory requirements and the Executive's and Committee's work programmes and to enable the Joint Management Team and Officers to programme key dates into their work plans.
- 2.2 The draft 2014/15 calendar of meetings is attached at Appendix 1. The draft 2015/16 calendar of meetings is attached at Appendix 2.
- 2.3 The calendars of meetings have been prepared in conjunction with the calendars of meetings for South Northamptonshire Council (SNC) to ensure that the Joint Management Team and shared officers are able to attend relevant meetings at either authority.
- 2.4 Meeting dates of the informal joint committees with South Northamptonshire Council (Place Programme Board and SNC/CDC Joint Arrangements Steering

Group) and with SNC and Stratford on Avon District Council (CDC/SNC/SDC Joint Arrangements Steering Group) are currently being reviewed and will be circulated in due course.

3.0 Report Details

3.1 The calendars of meetings have been prepared on the basis of the considerations set out below:

- Meeting dates for Committees reflecting the dates in previous years as far as possible.
- Meeting dates are set to ensure linked committees follow in a timely manner for items that will be considered by more than one Committee.
- Council meetings being held on Mondays with the exception of the 2015/16 AGM which will be held on Tuesday 19 May 2015. This is to allow for the inclusion of proportionality calculations following the local elections on Thursday 7 May 2015.
- Meetings of Executive being held on the first Monday of each month with the following exceptions: June 2014 due to the later date of the local elections and 2014/15 AGM; April 2015 when the meeting will be held on Tuesday 7 April 2015 due to a Bank Holiday falling on the first Monday; November/December 2015 when the meeting will be held on Monday 30 November due to ensure the December 2015 Council meeting is not held in the week the festive Bank Holidays fall; August and May when no meetings are scheduled.
- Planning Committee meetings every four weeks with the exception of December /January and April/May/June in all years when the cycle varies between three weekly and five weekly due to the festive season and elections respectively. In all cases the four weekly cycle is reinstated as soon as possible.
- Meetings of the Overview and Scrutiny Committee and the Budget Planning Committee are scheduled to tie in with key activities undertaken by each Committee e.g. performance monitoring, budget preparation, business plan review and will assist with work programme planning.
- Personnel Committee and Council and Employee Joint Committee meeting quarterly.
- The Accounts, Audit and Risk Committee meeting five times plus an informal meeting prior to the June meeting to review the accounts.
- Licensing Committee, Licensing Sub-Committee, Standards Committee and Appeals Committee meetings will be arranged as business requires.
- Two Parish Liaison meetings being held in each municipal year:
2014/15: Wednesday 11 June 2014 and Wednesday 12 November 2014
2015/16: Wednesday 10 June 2015 and Wednesday 11 November 2015

These meetings are arranged by the Rural Development and Countryside Manager.

Joint Committees with South Northamptonshire Council (SNC)

- 3.2 Meetings of the Joint Personnel Committee and Joint Appeals Committee will be arranged as required.
- 3.3 The Joint Appraisal Sub-Committee will meet in March and October each municipal year to carry out the Chief Executive's appraisal (March meeting) and mid-year appraisal (October meeting).
- 3.4 Meetings of the Place Programme Board and the SNC/CDC Joint Arrangements Steering Group will be scheduled quarterly. Dates for these meetings are currently being reviewed in conjunction with the dates of the CDC/SNC/Stratford-On-Avon District Council Joint Arrangements Steering Group and will be circulated in due course.
- 3.5 The venue for these meetings will rotate between Bodicote House and Springfields, Towcester as far as possible and practicable.

Joint Committee with South Northamptonshire Council (SNC) and Stratford-On-Avon District Council (SDC)

- 3.6 Meetings of the CDC/SNC/SDC Joint Arrangements Steering Group will take place bi-monthly as far as practicable. Dates for these meetings are currently being reviewed with officers at Stratford-On-Avon District Council and will be circulated in due course.
- 3.7 The venue for these meetings will rotate between Bodicote House, Springfields, Towcester and Elizabeth House, Stratford as far as possible and practicable.

Amendments to the Calendars of Meetings

- 3.8 Members are reminded that the Council's Constitution sets out that no alterations to the dates and times of meetings shall take place unless Council, the Committee or Sub-Committee agrees an ad-hoc change or the Chairman of the relevant Committee or Sub-Committee, after consultation with the Head of Law and Governance, concurs with either a cancellation, or an alternative date or time.
- 3.9 Once agreed, all meeting dates will be added to the Council's website. If there are any changes to meeting dates Members will be notified and the website updated accordingly.

4.0 Conclusion and Reasons for Recommendations

- 4.1 It is believed that the proposed calendars of meetings for the municipal years 2014/15 and 2015/16 as set out in the appendices will provide a suitable decision making framework for Cherwell District Council.

5.0 Consultation

Joint Management Team

Leader of the Council

6.0 Alternative Options and Reasons for Rejection

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: To amend dates in the proposed calendar. It should be noted that any changes to the calendar of meetings may have a knock-on effect to the meeting cycle or performance targets / statutory deadlines which may in turn require the whole calendar to be redrafted.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising from this report.

Comments checked by:

Kelly Wheeler, Service Accountant, 01327 322224,
Kelly.wheeler@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 There are no legal implications arising directly from this report.

Comments checked by:

James Doble, Democratic and Elections Manager, 01295 221587,
James.doble@cherwellandsouthnorthants.gov.uk

Risk Implications

- 7.3 The Council needs to have in place a programme of meetings to ensure effective and efficient decision making.

Comments checked by:

James Doble, Democratic and Elections Manager, 01295 221587,
James.doble@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

Agreement of a calendar of meetings has significant implications for the Council's business planning and the programming of work.

Lead Councillor

None

Document Information

Appendix No	Title
One	Proposed CDC calendar of meetings for the municipal year 2014/15
Two	Proposed CDC calendar of meetings for the municipal year 2015/16
Three	Joint Meetings calendar of meetings – to follow
Background Papers	
None	
Report Author	Natasha Clark, Team Leader – Democratic & Elections
Contact Information	01295 221589 Natasha.clark@cherwellandsouthnorthants.gov.uk

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Cherwell District Council Calendar of Meetings 2014/15¹

Council	Executive	Planning Committee	Accounts, Audit & Risk Committee	Personnel Committee	Council & Employee Joint	Overview & Scrutiny Committee	Budget Planning Committee
<i>Mon, 6.30pm</i>	<i>Mon, 6.30pm</i>	<i>Thurs, 4pm</i>	<i>Weds, 6.30pm</i>	<i>Weds, 6.30pm</i>	<i>Weds, 6.30pm</i>	<i>Tues, 6.30pm</i>	<i>Tues, 6.30pm</i>
2014 Monday 16 June AGM 21 July 21 October 15 December 2015 23 February	2014 23 June 7 July 1 September 6 October 3 November 1 December 2015 5 January 2 February 2 March 7 April (<i>Tuesday due to Bank Holiday</i>)	2014 19 June 10 July 7 August 4 September 2 October 30 October 27 November 18 December 2015 22 January 19 February 19 March 16 April	2014 25 June 5pm - <i>informal review of accounts</i> 25 June 17 September 3 December 2015 21 January 25 March	2014 2 July 10 September 11 December 2015 12 March	2014 18 June 3 September 26 November 2015 4 March	2014 17 June 22 July 2 September 14 October 25 November 2015 13 January 24 February 31 March	2014 24 June 29 July 9 September 7 October 4 November 18 November 2 December 2015 20 January 10 March
Democratic Contact Officer: James Doble 01295 221587	Democratic Contact Officer: Natasha Clark 01295 221589	Democratic Contact Officer: Aaron Hetherington 01295 227956 Or Natasha Clark 01295 221589	Democratic Contact Officer: Gavin Lane 01327 322121	Democratic Contact Officer: Natasha Clark 01295 221589	Democratic Contact Officer: Lesley Farrell 01295 221591	Democratic Contact Officer: Dave Parry 01327 322365	Democratic Contact Officer: Dave Parry 01327 322365

¹ Meetings are subject to change and cancellation. Members will be notified and the website updated accordingly.

Cherwell District Council Calendar of Meetings 2015/16¹

Council	Executive	Planning Committee	Accounts, Audit & Risk Committee	Personnel Committee	Council & Employee Joint	Overview & Scrutiny Committee	Budget Planning Committee
<i>Mon, 6.30pm</i>	<i>Mon, 6.30pm</i>	<i>Thurs, 4pm</i>	<i>Weds, 6.30pm</i>	<i>Weds, 6.30pm</i>	<i>Weds, 6.30pm</i>	<i>Tues, 6.30pm</i>	<i>Tues, 6.30pm</i>
2015 Tuesday 19 May AGM 20 July 19 October 14 December 2016 24 February	2015 1 June 6 July 7 September 5 October 2 November 30 November 2016 4 January 1 February 7 March 4 April	2015 21 May 11 June 9 July 6 August 3 September 1 October 29 October 26 November 17 December 2016 21 January 18 February 17 March 14 April	2015 24 June 5pm - <i>informal review of accounts</i> 24 June 23 September 2 December 2016 20 January 16 March	2015 17 June 16 September 9 December 2016 9 March	2015 3 June 9 September 25 November 2016 2 March	2015 2 June 14 July 1 September 13 October 24 November 2016 12 January 23 February 5 April	2015 9 June 22 July 8 September 6 October 3 November 17 November 1 December 2016 19 January 8 March
Democratic Contact Officer: James Doble 01295 221587	Democratic Contact Officer: Natasha Clark 01295 221589	Democratic Contact Officer: Aaron Hetherington 01295 227956 Or Natasha Clark	Democratic Contact Officer: Gavin Lane 01327 322121	Democratic Contact Officer: Natasha Clark 01295 221589	Democratic Contact Officer: Lesley Farrell 01295 221591	Democratic Contact Officer: Dave Parry 01327 322365	Democratic Contact Officer: Dave Parry 01327 322365

¹ Meetings are subject to change and cancellation. Members will be notified and the website updated accordingly.

Council	Executive	Planning Committee	Accounts, Audit & Risk Committee	Personnel Committee	Council & Employee Joint	Overview & Scrutiny Committee	Budget Planning Committee
		01295 221589					

NOTES: Chairman and Vice-Chairman for all Committees for the municipal year 2015/16 will be appointed at the first meetings of Committees held at the conclusion of the Annual Council meeting on Tuesday 19 May 2015.

Chairman and Vice-Chairman for all Committees for the municipal year 2015/16 will be appointed at the first meetings of Committees held at the conclusion of the Annual Council meeting on Tuesday 19 May 2015.

Licensing Committee, Licensing Sub-Committees, Appeals Panel and Standards Committee meetings will be arranged as required.

Informal Executive meeting dates: 2015/16: TBC

Please note that this the Informal Executive is administered by the PA to the Leader of the Council

Democratic Contacts: Licensing Committee and Licensing Sub-Committee: Dave Parry – 01327 322365
 Standards Committee: Natasha Clark – 01295 221589
 Appeals Panel: James Doble – 01295 221587

Parish Liaison Meeting: Wednesday 10 June 2015
 Wednesday 11 November 2015

Parish Liaison Meeting Contact: Kevin Larner, Countryside and Communities Manager – 01295 221706