

Meeting of Council

Monday 23 February 2015

Members of Cherwell District Council,

A meeting of Council will be held at Bodicote House, Bodicote, Banbury, OX15 4AA on Monday 23 February 2015 at 6.30 pm, and you are hereby summoned to attend.



Sue Smith
Chief Executive

Friday 13 February
2015

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 - 16)

To confirm as correct records the Minutes of Council held on 15 December 2014 and the Special Meeting of Council held on 27 January 2015.

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 three decisions have been taken by the Executive which were not included in the 28 day notice relating to Landscape Management Contract Re-tender, Negotiations with Parkwood Leisure Limited Regarding Benchmarking and Contract Structure and Bicester Leisure Centre.

- 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 (Pages 17 - 18)

- a) Written Questions

At the time of agenda publication, one written question had been received in accordance with the Constitution.

A written response to the question will be circulated at the meeting.

A supplementary question by the Member who submitted the written question provided it is related to the reply and does not introduce any new matter is permitted.

- 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 a motion which has been submitted with advance notice, in accordance with the constitution.

Car Parking in Bicester

This motion requests the Executive to review all parking charges at Council owned Car Parks in Bicester with a view to introducing a 2 hour free car parking scheme for Bicester in light of the successful parking arrangements introduced by Sainsburys.

Proposer: Councillor Les Sibley

Council Business Reports

10 Members Allowances 2015/16 (Pages 19 - 34)

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 2015/2016 financial year following the submission of the report of the Council's Independent Remuneration Panel (IRP)

Recommendations

The meeting is recommended:

- 1.1 Consider the levels of allowances to be included in the 2015/2016 Members' Allowances Scheme, and whether the Panel's recommendations should be adopted or modified in any way
- 1.2 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 2015.
- 1.3 Authorise the Head of Law and Governance to take all necessary action to revoke the current (2014/2015) Scheme and to publicise the revised Scheme pursuant to The Local Authorities (Members's Allowances)(England) Regulations 2003 (as amended).

- 1.4 Thank the Independent Remuneration Panel for its report and set a fee of £300 for Panel Members for the work carried out in 2014/2015 and propose the same level of fee for 2015/2016.

11 **Corporate Plan, Revenue and Capital Budgets and Treasury Strategy 2015/16** (Pages 35 - 130)

Report of Head of Finance and Procurement and Head of Transformation

Purpose of report

The purpose of this report is to set the Council's General Fund Budget and to seek formal adoption of all parts of the Council's financial plans for the 2015-16 budget year.

The report also details the proposed strategic priorities, the underpinning key objectives and outcomes for 2015-16 which have now been converted into a proposed business plan for the Council. The proposed business plan sits alongside the proposed budget for 2015-16 so as to demonstrate that the Council adopts a strategic and integrated approach to managing all of its resources by aligning the development and delivery of the Council's strategic business priorities and key outcomes to the proposed budget.

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 2015-16 and to formally record that consideration.
- 1.2 To approve the 2015-16 General Fund Budget (in table 1) and 2015-16 Capital Programme (in Appendix 1) proposed by the Executive on 2 February 2015.
- 1.3 To approve the Collection Fund Estimates contained in Appendix 2
- 1.4 To approve the proposed 5 year business strategy, 2015-16 business plan and public pledges (detailed in Appendices 3, 4 and 5) and to delegate authority to the Head of Transformation in consultation with the Leader of the Council and the Lead Member for Banbury Developments, Communications and Performance to make any minor amendments to the plan or pledges as required before final publication in March 2015.
- 1.5 To note the contents of the section 25 statement from the Director of Resources contained in paragraphs 2.1 to 2.7 in relation to the robustness of the estimates and the adequacy of reserves.
- 1.6 To approve the Treasury Management Strategy as detailed in Appendix 6.
- 1.7 To approve the appended statement of pay policy for 2015-16 as required by the Localism Act and detailed in Appendix 7.

- 1.8 To approve the proposed Transitional Relief and Retail Relief Policies outlined in paragraphs 3.24 and contained in Appendices 8 and 9.

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 2015-2016 and setting the Council Tax for 2015-2016** (Pages 131 - 142)

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

Purpose of report

To detail the Calculations for the amounts of Council Tax for 2015-16 and the setting of Council Tax for 2015-2016.

Recommendations

It is recommended that the Council resolves:-

- (1) That it be noted that at the Executive meeting held on 5 January 2015 the Council calculated the Council Tax Base 2015-16:
 - a) for the whole Council area as 48,253 [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.
- (2) That the Council Tax requirement for the Council's own purposes for 2015-16 (excluding Parish Precepts and Special Expenses) is £5,959,246.
- (3) That the following amounts be calculated for the year 2015-16 in accordance with Sections 31 to 36 of the Act:-
 - a) £70,480,648 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) £60,437,491 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.
 - c) £10,043,157 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) £208.14 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) £4,083,911 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;
- (4) It be noted that for the year 2015-16 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	821.64	109.13
B	958.58	127.32
C	1095.52	145.51
D	1232.46	163.70
E	1506.34	200.08
F	1780.22	236.46
G	2054.10	272.83
H	2464.92	327.40

- (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 2015-16 for each part of its area and for each of the categories of dwellings.
- (6) The Council's basic amount of Council Tax for 2015-16 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

14 Developing the approach to Joint Working and the Delivery of Local Authority Services Final Business Case (Pages 143 - 212)

** Appendix 2 (parts B and D) are exempt from publication by virtue of paragraph 3 of Schedule 12A of Local Government Act 1972 **

Report of Chief Executive

Purpose of report

This report presents the final business case for a shared service and/or confederated approach to joint working and the delivery of local authority services following consideration of the draft business case by Council on the 15 of December 2014 and a period of public consultation.

Recommendations

- 1.1 Following consideration by Council in December 2014 and a period of public consultation Members are recommended, subject to South Northamptonshire Council resolving in similar terms, to:
- 1) Note and consider the responses received to the public consultation exercise as outlined in section 3.2 of the final business case.
 - 2) Agree to implement scenario 5 (as set out in the appended final business case), moving towards shared services in all service areas between Cherwell District and South Northamptonshire Councils. This option should be underpinned by a planned programme of change which should commence as soon as practicable in order to contribute towards the savings required by the councils' medium term financial strategies.
 - 3) Subject to recommendation 2 being agreed to add to the Council's adopted policy framework the establishment of shared service or joint working arrangements in any service area (subject to the approval of service specific business cases via the executive arrangements and the necessary employee consultation).
 - 4) Agree that the implementation costs associated with scenario 5 (as set out in part 3 of the appended business case) will be funded by general fund or earmarked reserves to be determined at year end by the Director of Resources in consultation with the Lead Member of for Financial Management at Cherwell District Council (CDC) and the Resources and Change Management Portfolio Holder at South Northamptonshire Council (SNC).
 - 5) Agree the draft workforce development plan as set out in appendix 2b as a framework to support the implementation of joint working and a full organisational development strategy.
 - 6) Agree the principles set out in appendix 2c, management arrangements, and request that the Chief Executive prepares a management structure for the future consideration of the Joint Commissioning Committee (subject to the approval of recommendation 8 below) to ensure the effective implementation of the transformation programme and on-going frontline service delivery.
 - 7) Receive the additional technical information provided on the feasibility of alternative models of service delivery in appendix 2d and agree to move towards a 'confederation approach' (scenario 6) between Cherwell District and South Northamptonshire as founding councils. Any decisions to implement a confederation or alternative service delivery models will still be subject to specific business cases to be considered by Members.

Development will be incremental and focused on business support services in the first instance.

- 8) Establish a Joint Commissioning Committee and Joint Scrutiny Committee (as set out in appendix 2e) and disestablish the current Joint Personnel Committee with effect from the annual council meeting on 19 May 2015 to enhance the governance arrangements associated with the implementation of scenarios 5 (two way joint working between CDC and SNC) and further development of scenario 6, including the opportunity for additional partners to join the governance arrangements if appropriate.
- 9) Commence staff and trade union consultation on the proposal to establish a Joint Councils Employee Engagement Committee (as set out in appendix 2e) with effect from the annual council meeting on 19 May 2015 to replace the current separate Cherwell and South Northamptonshire Committees.
- 10) Authorise the Head of Law and Governance to amend the constitution and complete a deed of variation to the Section 113 agreement with South Northamptonshire Council in order to facilitate the governance changes as set out in this report.
- 11) Continue to develop opportunities to extend the collaborative partnership to include like-minded councils and organisations to explore opportunities for shared services, collaboration and the commissioning of alternative service delivery models.

15 Proposed changes to the Scheme of Delegation to the Head of Development Management (Pages 213 - 230)

Report of Head of Development Management

Purpose of report

To seek the agreement of Council to proposed revisions to the current scheme of delegation to the Head of Development Management as set out in the council's Constitution.

Recommendations

The meeting is recommended:

- 1.1 To agree the revisions proposed in the Report.
- 1.2 To delegate authority to the Head of Law and Governance to produce a composite version of the scheme of delegation with the equivalent for South Northamptonshire Council so that there is one point of reference for both Councils, as at present.

16 Public Speaking at Planning Committee and Members' Planning Code of Conduct (Pages 231 - 258)

** Please note that the report to Council for this item will follow as it is subject to the decision of the Planning Committee meeting to be held on Thursday 19 February 2015. The report to the Planning Committee is attached for information. **

17 Calendar of Meetings 2015/16 and 2016/17 (Pages 259 - 268)

Report of Head of Law and Governance

Purpose of report

Council is asked to consider the calendar of meetings for the municipal year 2015/16 and the municipal year 2016/17.

Recommendations

The meeting is recommended:

- 1.1 To approve the calendar of meetings for Cherwell District Council (CDC) for the municipal years 2015/16 (Appendix 1) and 2016/17 (Appendix 2).
- 1.2 To delegate authority to the Head of Law and Governance to amend the calendars of meetings to take account of the Joint Commissioning Committee, Joint Scrutiny Committee and Joint Councils' Employee Engagement Committee if their establishment is approved.

18 Exclusion of the Press and Public

The following report contains exempt information as defined in the following paragraphs of Part 1, Schedule 12A of Local Government Act 1972.

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

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

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

“That under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the ground that, if the public and press were present, it would be likely that exempt information falling under the provisions of Schedule 12A, Part 1, Paragraph 3 would be disclosed to them, and that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

19 **Developing the approach to Joint Working and the Delivery of Local Authority Services Final Business Case - Exempt appendices** (Pages 269 - 344)

20 **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 221589 prior to the start of the meeting.

Declarations of Interest

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

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

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 Natasha Clark, Democratic and Elections
natasha.clark@cherwellandsouthnorthants.gov.uk, 01295 221589

Agenda Item 3

CHAIRMAN'S ENGAGEMENTS

16 December 2014 – 23 February 2015

Date	Event
Friday 19 December	The Chairman and his wife attended a Civic Carol Service at St Mary's Church, Witney at the invitation of the Chairman of WODC and the Mayor of Witney.
Friday 16 January	The Vice Chairman (representing the Chairman) attended a civic briefing at RAF Croughton at the invitation of Col. Douglas Mellars, 422 Air Base Group Commander, to discuss the base and its future expansion.
Thursday 22 January	The Chairman attended a celebratory dinner at The Whately Hall Hotel in Banbury for The Rt. Hon. Sir Tony Baldry MP which was hosted by CDC
Friday 23 January	The Chairman attended the official ground breaking ceremony for the Bicester Office Park and the new Tesco store.
Saturday 31 January	The Chairman and his wife hosted their charity dinner and dance at Bicester Hotel Golf & Spa. The event was held to raise funds for the Let's Play charity based in Banbury.
Friday 6 February	At the invitation of Col Angela Cadwell, Commander 501 st Combat Support Wing and Col. Douglas Mellars, Commander 422d Air Base Group, the Chairman attended a Winter Reception at RAF Croughton.
Wednesday 18 February	* The Vice Chairman and her husband attended the Oxfordshire Scout and Guide Gang Show at Radley College.

*unconfirmed at time of printing

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Agenda Item 6

Cherwell District Council

Council

Minutes of a meeting of the Council held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 15 December 2014 at 6.30 pm

Present: Councillor Alastair Milne Home (Chairman)
Councillor Melanie Magee (Vice-Chairman)

Councillor Ken Atack
Councillor Andrew Beere
Councillor Claire Bell
Councillor Maurice Billington
Councillor Fred Blackwell
Councillor Norman Bolster
Councillor Ann Bonner
Councillor Mark Cherry
Councillor Surinder Dhesi
Councillor John Donaldson
Councillor Andrew Fulljames
Councillor Michael Gibbard
Councillor Carmen Griffiths
Councillor Timothy Hallchurch MBE
Councillor Simon Holland
Councillor David Hughes
Councillor Russell Hurle
Councillor Tony Ilott
Councillor Ray Jelf
Councillor Matt Johnstone
Councillor Mike Kerford-Byrnes
Councillor James Macnamara
Councillor Kieron Mallon
Councillor Nicholas Mawer
Councillor Nigel Morris
Councillor D M Pickford
Councillor Nigel Randall
Councillor G A Reynolds
Councillor Barry Richards
Councillor Alaric Rose
Councillor Dan Sames
Councillor Les Sibley
Councillor Lawrie Stratford
Councillor Rose Stratford
Councillor Lynda Thirzie Smart
Councillor Nicholas Turner
Councillor Douglas Webb
Councillor Douglas Williamson
Councillor Barry Wood
Councillor Sean Woodcock

Apologies
for
absence: Councillor Colin Clarke
Councillor Diana Edwards
Councillor Chris Heath
Councillor Jon O'Neill
Councillor Lynn Pratt
Councillor Neil Prestidge
Councillor Trevor Stevens
Councillor Bryn Williams

Officers: Sue Smith, Chief Executive
Ian Davies, Director of Community and Environment
Martin Henry, Director of Resources / Section 151 Officer
Claire Taylor, Business Transformation Manager
Nigel Bell, Team Leader - Planning and Litigation /Deputy
Monitoring Officer
Natasha Clark, Team Leader, Democratic and Elections

47 **Declarations of Interest**

Members declared interests in the following agenda items:

7. Minutes.

Councillor Surinder Dhesi, Non Statutory Interest, in relation to the 3 November 2014 minutes of Executive as a Trustee of Banbury Citizens Advice Bureau.

48 **Communications**

Recording at meetings

The Chairman advised Council that under the Openness of Local Government Bodies Regulations 2014 members of the public are permitted to film, broadcast and report on the meeting, subject to the efficient running of the meeting not being affected.

Cherwell Boundary Review – Boundary Commission draft recommendations and Special Council meeting

The Chairman reported that as part of its electoral review of Cherwell, the Boundary Commission had published its draft recommendations for consultation until 16 February 2015.

The Chairman had agreed to hold a Special Council meeting on Tuesday 27 January at which the council's draft response would be considered.

Garden Town Announcement

The Chairman reported that as part of the Autumn Statement it was announced that Bicester had been granted Garden Town status following the submission of an Expression of Interest to a garden city prospectus. This was positive news for the delivery of homes and new jobs.

EcoBicester Academy of Champions for Energy (ACE) Award

The Chairman reported that the council's EcoBicester project had won a prestigious EU award being named the ACE Award Overall Winner in the category Energy Smart Municipalities Best Initiative by a Local Authority 2014.

The ACE Awards recognised initiatives, organisations and projects in the field of renewable energy and energy transition.

The council's submission focused on: The dual approach to building the first UK EcoTown combined with town wide energy efficiency programmes.

Hook Norton had won the category Energy Neutral Village.

Chairman's Engagements

The Chairman advised Council that a list of engagements that he, or the Vice-Chairman, had attended since the last meeting of Council was included with the agenda.

Chairman's Dinner

The Chairman reminded Members that his Chairman's Dinner would be held on Saturday 31 January 2015 at Bicester Golf and Country Club.

Post

The Chairman reminded Members to collect post from pigeon holes.

Christmas Greetings

The Chairman reported that he had spent the morning with the Chief Executive giving out mince pies to staff and wished everyone a Merry Christmas and Happy New Year.

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

There were no petitions or requests to address the meeting.

50 **Urgent Business**

There were no items of urgent business.

51 **Minutes of Council**

The minutes of the meeting held on 20 October 2014 were agreed as a correct record and signed by the Chairman.

52 **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 four decisions have been taken by the Executive which were not included in the 28 day notice, relating to the Homeless Action Plan, Improvements to Bicester and Kidlington Leisure Centres, Asset Management Strategy Action Plan and Leisure Management Procurement (Woodgreen).

b) Minutes of Committees

Resolved

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

53

Questions

a) Written Questions

Councillor Barry Richards submitted three written questions relating to the Draft Revenue Budget which formed part of the Executive's agenda item 11 for the 1 December 2014 meeting. Responses from Councillor Ken Atack, Lead Member for Financial Management, were tabled at the meeting:

1. £303,000 Car park Income Reduction, I would ask the council be provided with a full breakdown of car parking income. To include car park by car park revenue showing total income and a breakdown of how this is split between length of stays paid for.

Response

The unavoidable growth on car parking is based on the income shortfall as part of budget monitoring. The attached spreadsheet shows how car park income is monitored on a monthly basis by individual car park:

Table 1 shows the current income shortfall for 2014-15 of £336,000 (as reported to Executive on 1 December 2014).

Table 2 shows the projected income for 2015-16, compares this to the 2014-15 position, and then calculates the shortfall i.e. the £303,000 unavoidable growth bid.

Table 3 shows income by individual car park during last year (2013-14).

Table 4 shows actual income collected (up to September 2014) and projected income to the year-end (October 2014 to March 2015).

The statistics to provide 'a breakdown of how this is split between length of stays paid for' are not immediately available.

2. £350,000 Correction to base budget from 100% (not netted off against overpayments recovered). Could the officer give a full explanation to Council.

Response

This relates to Rent Allowances / Housing Benefit. The Council currently budgets to spend £35m on providing Housing Benefit to residents in the district. This is a statutory scheme which is also demand led so the Council has little control over what the actual spend is. The Government make monthly payments to the Council based on estimated spend provided at the start of the year. Any difference has to be repaid or reclaimed at the year-end leading to adjustments.

Currently the budget (2014-15) assumes that we receive 100% of this amount back from the Government. However the amount actually received does not always meet 100% of the cost incurred, as some elements cannot be re-imbursed. This may be the result of technical errors or mistakes in interpretation of the regulations. It may also be from an overpayment which proves irrecoverable.

Therefore it is not prudent to expect full reimbursement. This is borne out by the level of re-imburement received in previous years which is consistently lower than the payments made.

The plan for 2015-16 is to amend the assumption in the base budget to reflect a position which Officers believe is closer to reality and assumes 99% of the expenditure will be reclaimed and not 100%.

Whilst the change in the assumption is only 1%, the monetary impact is large as it is applied to the budget as above i.e. £350,000 and this is how the unavoidable base budget correction figure is derived.

3. New Homes Bonus. £ 1,270,000 of New Homes Bonus built in to MTRP for 2015-16, this in line with CTB form the Council's current strategy is to use 50% to support the Base Budget could an Officer explain to the Full Council where the other 50% is going.

Response

*The NHB payment position is forecast to be **£2681k** for 2015/16.*

***£141k** is allocated for Affordable Housing based on new build achievements with the funds available for future promotion and development of affordable housing projects.*

*From the balance of £2540k, 50% (**£1270k**) is allocated to the 2015/16 Budget.*

*The remainder is allocated to Economic Development (**£1100k**) and Community Based Payments (Town and Parish Councils) **£169k**...total **£1269k**.*

This proposal is based on forecasts. Actual allocations for 2015-16 should be provisionally issued by Government in the week commencing 15 December 2014.

To date the Economic Development funds have been utilised to support initiatives such as the roll out of Superfast Broadband across the District

(£1m allocated for this purpose) and the Implementation of the Asset Management Plan recommendations in 2014-15 (£125k). The funds allocated to Town and Parish Councils cover a 6 year period from inception in 2011 / 12 and the Councils are at liberty to use the funds as they choose.

By way of a supplementary question, Councillor Richards asked when the information on length of stays at car parks, as requested in his first question, would be available. Councillor Atack advised that the information was not yet available but would be provided in due course.

b) Questions to the Leader of the Council

Questions were asked and answers received on the following issues:

Parking Policy: Councillor Dhesi

Victoria Prentis, Conservative candidate for the Parliamentary election:

Councillor Cherry

Community Health Village Project: Councillor Sibley

Campsfield House, Kidlington: Councillor Williamson

Property in Kidlington: Councillor Rose

c) Questions to Committee Chairmen on the minutes

Councillor Dhesi asked two questions in relation to minute 56, Performance Report 2014/15 Quarter One, of the meeting of Executive held on 6 October 2014. Answers were duly provided by Councillor Ilott, Lead Member for Clean and Green and Councillor Gibbard, Lead Member for Planning.

54 **Motions**

There were no motions.

55 **Developing the Approach to Joint Working and the Delivery of Local Authority Service Draft Business Case**

The Chief Executive submitted a report which presented the draft business case for a shared service and/or confederated approach to joint working and the delivery of local authority services following consideration by the three way Joint Arrangements Steering Group (JASG) on 27 November 2014 and the recommendation of Executive on 15 December 2014.

Councillor Woodcock proposed that a recorded vote be taken. Councillor Beere seconded the proposal. Members voted as follows:

Councillor Ken Atack – For

Councillor Andrew Beere – Against

Councillor Claire Bell - Against

Councillor Maurice Billington – For

Councillor Fred Blackwell – For

Councillor Norman Bolster – For

Councillor Ann Bonner – For

Councillor Mark Cherry – Against

Councillor Surinder Dhesi – Against
Councillor John Donaldson – For
Councillor Andrew Fulljames – For
Councillor Michael Gibbard – For
Councillor Carmen Griffiths - For
Councillor Tim Hallchurch MBE – For
Councillor Simon Holland – For
Councillor Alastair Milne Home – For
Councillor David Hughes – For
Councillor Russell Hurle – For
Councillor Tony Ilott – For
Councillor Ray Jelf – For
Councillor Matt Johnstone - Against
Councillor Mike Kerford-Byrnes – For
Councillor James Macnamara – For
Councillor Melanie Magee – For
Councillor Kieron Mallon – For
Councillor Nicholas Mawer – For
Councillor Nigel Morris – For
Councillor D M Pickford – For
Councillor Nigel Randall – For
Councillor G A Reynolds – For
Councillor Barry Richards - Against
Councillor Alaric Rose – For
Councillor Daniel Sames – For
Councillor Les Sibley – For
Councillor Lawrie Stratford – For
Councillor Rose Stratford – For
Councillor Lynda Thirzie Smart – For
Councillor Nicholas Turner – For
Councillor Douglas Webb – For
Councillor Douglas Williamson – For
Councillor Barry Wood – For
Councillor Sean Woodcock – Against

Resolved

- (1) That following endorsement by the Cherwell District, South Northamptonshire and Stratford On Avon District Councils Joint Arrangements Steering Group and the Executive meeting of 15 December 2014, subject to South Northamptonshire and Stratford on Avon District Councils resolving in similar terms:
 - I. That an ‘in principle’ move towards scenarios 2 and/or 4 as set out in the appended business case and its supporting papers (annex to the minutes as set out in the Minute Book) be agreed.
 - II. That it be agreed the appended business case (annex to the minutes as set out in the Minute Book) be used as the basis for public, partner and stakeholder consultation and, subject to the outcome of that consultation not leading Members to a change of view, request that a full and final business case, taking

account of the responses received to this consultation, be brought to the February 2015 Council meeting.

- III. That, agreement be given in principle, and subject to consideration of consultation responses, to include all services within the potential scope of joint working (as set out in the appended business case scenarios 2 and 4, section 6 - annex to the minutes as set out in the Minute Book), subject to prior approval of individual business cases on a service by service basis
- IV. That, agreement be given in principle, and subject to consideration of any consultation responses, that any moves towards a confederated approach be undertaken on an incremental basis and that the first phase of services considered for inclusion be back office or support services.
- V. That additional tax and pensions advice be sought to ensure that any implementation costs associated with the confederation approach are fully quantified in any final business case.
- VI. That additional legal advice be sought to prepare governance arrangements for scenarios 2 and/or 4. This is to include arrangements such as a shareholders' agreement and exit strategy and the necessary transitional requirements (e.g. steering groups, shadow boards or joint committees) to oversee the establishment of joint working and/or confederation approaches. These proposals should be included as an appendix to any final business case.
- VII. That a full organisational development strategy be developed for adoption to aim to ensure that Members and employees have the requisite skills to operate within a shared service or confederation approach should the final business case be approved.

56

Council Tax Reduction Scheme 2015-16

The Head of Finance and Procurement submitted a report to enable Council to approve the Council Tax Reduction Scheme for 2015-16.

Resolved

- (1) That the current Council Tax Reduction Scheme (CTRS) (annex to the minutes as set put in the Minute Book) be approved for the year 1 April 2015 to 31 March 2016.
- (2) That authority be delegated to the Council's section 151 officer, in consultation with the Lead Member for Financial Management, to determine if any further amendments to the CTRS are required by 31 January 2015.

57 **Joint Fraud Business Case**

The Director of Resources submitted a report which informed Council of a decision he had taken under urgency powers.

Resolved

- (1) That the decision taking under urgency powers by the Director of Resources in consultation with the Chairman of the Council to include the consideration of the Joint Fraud Service Business Case on the policy framework be noted.

58 **Exclusion of the Press and Public**

As there were no questions arising on the exempt appendices to agenda item 10, Developing the Approach to Joint Working and the Delivery of Local Authority Service Draft Business Case, or the exempt minutes, it was not necessary to resolve to exclude the press and public.

59 **Developing the approach to Joint Working and the Delivery of Local Authority Service Draft Business Case - Exempt Appendices**

Resolved

- (1) That the exempt appendices to agenda item 10, Developing the approach to Joint Working and the Delivery of Local Authority Service Draft Business Case, be noted.

60 **Questions on Exempt Minutes**

There were no questions on exempt minutes.

The meeting ended at 8.10 pm

Chairman:

Date:

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Cherwell District Council

Special Council

Minutes of a special meeting of the Council held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 27 January 2015 at 6.30 pm

Present: Councillor Alastair Milne Home (Chairman)
Councillor Melanie Magee (Vice-Chairman)

Councillor Ken Atack
Councillor Andrew Beere
Councillor Claire Bell
Councillor Maurice Billington
Councillor Norman Bolster
Councillor Mark Cherry
Councillor Colin Clarke
Councillor Surinder Dhesi
Councillor John Donaldson
Councillor Diana Edwards
Councillor Michael Gibbard
Councillor Simon Holland
Councillor Chris Heath
Councillor David Hughes
Councillor Russell Hurle
Councillor Tony Ilott
Councillor Ray Jelf
Councillor Mike Kerford-Byrnes
Councillor James Macnamara
Councillor Nicholas Mawer
Councillor Nigel Morris
Councillor D M Pickford
Councillor Lynn Pratt
Councillor Nigel Randall
Councillor G A Reynolds
Councillor Alaric Rose
Councillor Dan Sames
Councillor Les Sibley
Councillor Trevor Stevens
Councillor Lawrie Stratford
Councillor Lynda Thirzie Smart
Councillor Bryn Williams
Councillor Douglas Williamson
Councillor Barry Wood
Councillor Sean Woodcock

Apologies
for
absence: Councillor Fred Blackwell
Councillor Ann Bonner
Councillor Andrew Fulljames
Councillor Carmen Griffiths
Councillor Timothy Hallchurch MBE

Councillor Matt Johnstone
Councillor Kieron Mallon
Councillor Jon O'Neill
Councillor Neil Prestidge
Councillor Barry Richards
Councillor Rose Stratford
Councillor Nicholas Turner
Councillor Douglas Webb

Officers: Sue Smith, Chief Executive
Kevin Lane, Head of Law and Governance / Monitoring Officer
James Doble, Democratic and Elections Manager

61 **Declarations of Interest**

There were no declarations of interest.

62 **Cherwell Boundary Review: Response to Local Government Boundary Commission for England Draft Recommendations**

The Chief Executive submitted a report to agree Cherwell District Council's response to the Local Government Boundary Commission for England's ("LGBCE" or "the Commission") draft recommendations of the further electoral review for Cherwell District Council.

In the course of debate many members from all political groups expressed strong concern regarding the effects of the proposals from the Local Government Boundary Commission for England. Members did not feel the proposals reflected the geography of the district, community identity and did not improve the representational role of councillors, all of which were addressed in the original proposals put forward by the council. In particular there was concern expressed regarding the size of rural wards, the effect on the adverse impact on the town and parish wards of Banbury and Kidlington.

Resolved

- (1) That Cherwell District Council's response to the Local Government Boundary Commission for England's draft recommendations of the further electoral review for Cherwell District Council (annex to the minutes as set out in the minute book be agreed).
- (2) That the Chief Executive be delegated to make any necessary amendments to the council's response to the Local Government Boundary Commission for England's draft recommendations of the further electoral review for Cherwell District Council prior to submission in light of the resolutions of Council.

Polling District and Polling Places Review 2014

The Returning Officer submitted a report to agree the recommendations from the Council's Polling District and Polling Place Review 2014

Resolved

- (1) That the recommendations for Polling Districts and Polling Places within Cherwell (annex to the minutes as set out in the minute book be agreed.
- (2) That it be noted that a further polling place review will be undertaken following the conclusion of the Boundary Commission review.
- (3) That authority be delegated to the Returning Officer and Chief Executive to conduct and implement a review of polling places once the District Boundary Review has been completed in 2015.

The meeting ended at 7.05 pm

Chairman:

Date:

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Council

Monday 23 February 2015

Agenda Item 8 (a), Written Questions

Question From: Councillor Douglas Williamson

Question To: Leader of the Council, Councillor Barry Wood

Topic: Funding for the Community Action Group Project

Oxfordshire has 58 voluntary community groups dedicated to the reduction of waste and carbon emissions. Eight of them are located in Cherwell District, from north to south:

Banbury Community Action Group
Hook Norton Low Carbon
Duns Tew Community Action Group
Bicester Babystore
Bicester Green
Grassroots Bicester
Sustainable Kirtlington
Kidlington vs Climate Change

Last year, across the county over 65,000 residents took part in 1000 events and activities organised by community action groups, relating to issues such as

Waste prevention
Sustainable transport
Nature conservation
Alleviation of food and fuel poverty

Although the individual groups have the potential to attract independent funding for their own projects, it is difficult to do so without the network support of the Community Action Group (CAG) Project funded by Oxfordshire County Council.

The Project costs £96,000 a year which pays for two full-time employees, insurance for public events, and grants of up to £200 each for groups that need it. In 2014, this investment returned £800,000 of financial benefits to the county and created 10 full-time jobs by helping to set up social enterprises.

It has received over 50 local and national awards, as well as one for International Best Practice and has attracted attention at government level, where discussions are taking place on the nationwide adoption of the Community Impact Modelling Tool – a methodology developed by the Oxfordshire CAG Project for measuring the impact of community action.

Oxfordshire County Council is proposing to reduce its funding for the Project over the next three years until 2018 when it will be withdrawn completely.

Does the leader agree that the Community Action Group Project represents outstanding value, and if so, what action can Cherwell District Council take to help secure its future?

Cherwell District Council

Council

23 February 2015

Members Allowances 2015/2016

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 2015/2016 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 Consider the levels of allowances to be included in the 2015/2016 Members' Allowances Scheme, and whether the Panel's recommendations should be adopted or modified in any way
- 1.2 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 2015.
- 1.3 Authorise the Head of Law and Governance to take all necessary action to revoke the current (2014/2015) Scheme and to publicise the revised Scheme pursuant to The Local Authorities (Members's Allowances)(England) Regulations 2003 (as amended).
- 1.4 Thank the Independent Remuneration Panel for its report and set a fee of £300 for Panel Members for the work carried out in 2014/2015 and propose the same level of fee for 2015/2016.

2.0 Introduction

- 2.1 The Council's Independent Remuneration Panel has met to review the current (2014/2015) Members' Allowances Scheme and its report on the recommended levels of the allowance payments for the 2015/2016 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 2015/2016 (either up or down) as is considered appropriate.

3.0 Report Details

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

(a) That the basic allowance remains the same.

	2014/15	2015/16
Basic Allowance	£4,152.00 p.a.	£4,152.00 p.a.

(b) Alterations should be made to the payment to the Chairman of the Standards Committee which has no definite frequency of assembly. The Panel suggested a special responsibility allowance of £250 per annum plus £250 per meeting to be capped at £1000 per annum in total.

(c) Alterations should be made to the payment to the Chairman of the Licensing Committee which has no definite frequency of assembly. The Panel suggested a special responsibility allowance of £250 per annum plus £250 per meeting of the full committee (i.e. not sub-committees) to be capped at £1000 per annum in total.

(d) That the following rates should apply for the financial year 2015/16.

	2014/15	2015/16
Leader of the Council	£7,212.00 p.a.	£7,212.00 p.a.
Executive Members Holding a Portfolio	£6,300.00 p.a.	£6,300.00 p.a.
Chairman of the Overview and Scrutiny Committee	£3,504.00 p.a.	£3,504.00 p.a.
Chairman of Budget Planning Committee	£3,504.00 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	£1,800.00 p.a.	£1,800.00 p.a.

Chairman of the Personnel Committee	£1,008.00 p.a.	£1,008.00 p.a.
Chairman of the Licensing Committee	£1,008.00 p.a.	£250 SRA plus £250 per full meeting to a capped limit of £1000pa
Chairman of the Standards Committee	£1,008.00 p.a.	£250 SRA plus £250 per meeting to a capped limit of £1000pa
Chairman of the Appeals Panel	£250 per meeting to a capped limit of £1000 pa	£250 per meeting to a capped limit of £1000 pa
Leader of the Opposition	£2,904.00 p.a.	£2,904.00 p.a.
Deputy Leader of the Council	£2,484.00 p.a.	£2,484.00 p.a.

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

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

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

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

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

(g) Democratic Services should continue to book overnight accommodation

4.0 Conclusion and Reasons for Recommendations

4.1 It is the view of the Independent Remuneration Panel that the proposals represent realistic and fair levels of allowance for 2015/2016 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 2015/2016 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: Martin Henry, Director of Resources & 151 Officer, martin.henry@cherwellandsouthnorthants.gov.uk, telephone 0300 003 0102

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, kevin.lane@cherwellandsouthnorthants.gov.uk, Telephone: 0300 003 0107

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 2015/2016 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
2015/2016 Financial Year

For

Cherwell District Council

December 2014

CHERWELL DISTRICT COUNCIL

REPORT OF THE INDEPENDENT AND PARISH REMUNERATION PANEL

REVIEW OF MEMBERS' ALLOWANCES FOR THE 2015/2016 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 2014. This Scheme has remained in force throughout the 2014/15 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 2015/16 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 Natasha Clark (Democratic and Elections Team Leader) and Lesley Farrell (Assistant Democratic and Elections Officer) provided the Panel with administrative advice and support.
- 2.4 At its meeting on 8 December 2014, Mr. Christopher White was appointed as Chairman of the Panel for the 2014/2015 Municipal Year.

Mr David Shelmerdine sent his 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 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
- (g) 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 2014/15;
 - (b) a comparison between Cherwell District Council, South Northamptonshire Council and Stratford-on-Avon District Council Members Allowances.
 - (c) 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
- (d) a summary of Members responses to the 'Activity Questionnaire'.
 - (e) the general economic climate.
 - (f) the overall financial position of the Council.
 - (g) the level of recent and anticipated pay awards for Council staff and management.
 - (h) 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 2015/16 compared with 2014/15.

- 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 10 completed questionnaires were returned, representing 20% of its membership.
- 5.7 The Panel has noted the lack of response to the questionnaire and concluded that as 80% of Members did not return the questionnaire, it must be that they consider the current level of allowance acceptable.
- 5.8 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, in particular, given that the number of councillors will reduce from 50 to 48 from 2016 and all members will be part of 3 member wards representing amended warding arrangements in accordance with the outcomes of the Local Government Boundary Commission for England Cherwell boundary review.
- 5.9 There were no personal representations by members to the panel.
- 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 65 hours per month on council duties, which was 13 hours less than last year.
- 5.12 Other conclusions arising from the questionnaires were that:
 - (a) 50% of respondents explicitly stated that no changes should be made to the level of Members allowances and expenses for 2015/16.
 - (b) 50% of respondents proposed varying increases in the level of

Members allowances and expenses for 2015/16.

- (c) On a scale of 1 (very generous) to 4 (totally inadequate), 30% of respondents rated the basic allowance as 1, 30% as 2, 20% as 3 and 20% as 4.
- (d) On the same scale of 1 to 4, the majority of respondents (40%) rated the special responsibility allowance as a '2' and 30% as 1.
- (e) On the same scale of 1 to 4, 30% of respondents rated the level of travel and subsistence allowances as a 1 and 50% as 2.

Unfortunately, these percentages cannot be seen as representative due to the small number of questionnaire returns and not every return answering these specific questions.

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 2014/2015 at 1.25%. The Joint Management Team/Middle Managers have a separate agreement and for 2014/2015 the pay award was 1%.
- 6.4 At the time of the meeting of the Independent Remuneration Panel, pay negotiations had not yet commenced for 2015/2016. Subsequently, a decision has been made to award a 1.85% increase.
- 6.5 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.
- 6.6 Whilst acknowledging that there had been a cost of living increase for staff in 2014/2015, the Panel was minded to recommend no increase to Members' Basic Allowance as there had been no evidence to support any increase, largely as a result of the low 'Activity questionnaire' return rate as set out in paragraphs 5.6 – 5.12. This would be reviewed again at the review of allowances for 2016/2017.

7 Special Responsibility Allowances

- 7.1 The Panel was requested to review the current level of Special Responsibility Allowances
- 7.2 With the exception of the Standards and Licensing Committee Chairmen, the Panel again agreed it was minded to retain the existing levels for Special

Responsibility Allowances as there had been no evidence to support any change, largely as a result of the low 'Activity questionnaire' return rate set out in paragraphs 5.6 – 5.12. This would be reviewed again at the review of allowances 2016/2017.

- 7.3 The Panel was informed that the Standards and Licensing Committees were held on an ad-hoc basis and arranged as and when business required. There had been no meetings of either Committee in 2014/2015 to date (excluding the appointment of Chairman and Vice-Chairmen).
- 7.4 Feedback had been requested from the Chairman of both committees as to the level of work carried out outside of the committee. The Standards Committee Chairman had advised that "As Chairman of the Standards Committee there are very few meetings but I do have irregular meetings with the Head of Law and Governance." There had been no response from the Licensing Committee Chairman.
- 7.5 Based on the evidence, the Panel agreed that there was some work undertaken by the Chairmen of the Committees outside of meetings and therefore some level of allowance was appropriate. It was further agreed that, if meetings were arranged, then an allowance should be paid to the Chairman for fulfilling this role. The Panel agreed that the total allowance paid to the Chairman, inclusive of the special responsibility allowance and meeting allowance, should be capped at £1,000 in total.

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.

9 Recommendations to Council

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

- (a) That the basic allowance remains the same.

	2014/15	2015/16
Basic Allowance	£4,152.00 p.a.	£4,152.00 p.a.

- (b) Alterations should be made to the payment to the Chairman of the Standards Committee which has no definite frequency of assembly. The Panel suggested a special responsibility allowance of £250 per annum plus £250 per meeting to be capped at £1000 per annum in total.
- (c) Alterations should be made to the payment to the Chairman of the Licensing Committee which has no definite frequency of assembly. The Panel suggested a special responsibility allowance of £250 per annum plus £250 per meeting of the full committee (i.e. not sub-committees) to be capped at £1000 per annum in total.
- (d) That the following rates should apply for the financial year 2015/16.

	2014/15	2015/16
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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	£1,800.00 p.a.	£1,800.00 p.a.
Chairman of the Personnel Committee	£1,008.00 p.a.	£1,008.00 p.a.
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Chairman of the Appeals Panel	£250 per meeting to a capped limit of £1000 pa	£250 per meeting to a capped limit of £1000 pa
Leader of the Opposition	£2,904.00 p.a.	£2,904.00 p.a.
Deputy Leader of the Council	£2,484.00 p.a.	£2, 484.00 p.a.

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

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

(f) there be: no increase in Travelling and Subsistence Allowances;.

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

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

(g) Democratic Services should continue to book overnight accommodation.

10 Findings of the Panel

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

- (a) an increase in allowances and expenses could not be justified in the current challenging financial climate, particularly as there had not been any change in Council structures since the last review
- (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.
- (e) a more detailed comparison between the Cherwell District Council, South Northamptonshire Council and Stratford-on-Avon District Council would take place next year following boundary reviews and member allowance 2015/2016 updates; and
- (f) in the case of the Board of Directors of the potential confederation company and its subsidiary companies, whilst the council will nominate representatives it will be up to the confederation to consider whether remuneration should be paid and at what level. It would be in order for the confederation to have regard to the remuneration paid to the equivalent posts such as Cabinet/Executive members in considering the level of remuneration.

Mr Christopher White
Chairman
Independent Remuneration Panel
December 2014

Cherwell District Council

Council

23 February 2015

<p>Revenue and Capital Budget 2015-16 and Five Year Strategic Business Strategy and Annual Business Plan for 2015-16</p>

Report of the Head of Finance and Procurement and Head of Transformation

This report is public

Purpose of report

The purpose of this report is to set the Council's General Fund Budget and to seek formal adoption of all parts of the Council's financial plans for the 2015-16 budget year.

The report also details the proposed strategic priorities, the underpinning key objectives and outcomes for 2015-16 which have now been converted into a proposed business plan for the Council. The proposed business plan sits alongside the proposed budget for 2015-16 so as to demonstrate that the Council adopts a strategic and integrated approach to managing all of its resources by aligning the development and delivery of the Council's strategic business priorities and key outcomes to the proposed budget.

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 2015-16 and to formally record that consideration.
- 1.2 To approve the 2015-16 General Fund Budget (in table 1) and 2015-16 Capital Programme (in Appendix 1) proposed by the Executive on 2 February 2015.
- 1.3 To approve the Collection Fund Estimates contained in Appendix 2
- 1.4 To approve the proposed 5 year business strategy, 2015-16 business plan and public pledges (detailed in Appendices 3, 4 and 5) and to delegate authority to the Head of Transformation in consultation with the Leader of the Council and the Lead Member for Banbury Developments, Communications and Performance to make

any minor amendments to the plan or pledges as required before final publication in March 2015.

- 1.5 To note the contents of the section 25 statement from the Director of Resources contained in paragraphs 2.1 to 2.7 in relation to the robustness of the estimates and the adequacy of reserves.
- 1.6 To approve the Treasury Management Strategy as detailed in Appendix 6.
- 1.7 To approve the appended statement of pay policy for 2015-16 as required by the Localism Act and detailed in Appendix 7.
- 1.8 To approve the proposed Transitional Relief and Retail Relief Policies outlined in paragraphs 3.24 and contained in Appendices 8 and 9.

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 fall back 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 2015-16.

3.0 Report Details

Five Year business strategy, 15/16 business plan, performance pledges and service plans

- 3.1 **Appendix 3** sets out the four strategic priorities which drive the Council's five year business strategy. They in turn have helped to shape the development of the Council's annual business plan and key outcomes for 2015-16 which in turn inform operational service plans.
- 3.2 **Appendix 4** sets out the proposed annual business plan which details the key objectives and outcomes for 2015-16 against which the Council's performance can be monitored in the year ahead.
- 3.3. **Appendix 5** details the Council's performance pledges. Together the business plan and performance pledges will form the basis of the council's performance management framework and progress will be reported quarterly.
- 3.4 As detailed in section 5 of this report, the Overview and Scrutiny Committee was invited to consider the proposed strategic priorities, key objectives and outcomes for 2015-16 ahead of The Executive making its final recommendations to Full Council, so as to ensure a transparent, engaging and whole Council approach to the development of the Council's business priorities.
- 3.5 After the budget, five year strategy and business plan have been agreed they will be published as formal documents and will be available from March 2015.

Budget Process 2015-16

- 3.6 The budget for 2015-16 includes the fifth year of the major cut in government Revenue Support. The reduction in grant funding compared to 2014-15 equates to £1,043,000 - a drop of 29.8%. Preparation for both this impact and the future uncertainty of funding began in September 2014 through the search for efficiencies and the opportunities for continued joint working with South Northamptonshire Council and others.
- 3.7 The budget process formally began with the Executive agreeing Budget Guidelines at their meeting on 6 October 2014. These guidelines included the decision that any service growth should be self-funding via efficiencies and that the council tax should not be increased.
- 3.8 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.

- 3.9 The Joint Management Team received regular updates on the overall budget position from September 2014 through to January 2015 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 1 December 2014, and the second and final proposals on 2 February 2015. All reports outlining the latest position regarding efficiencies identified and remaining sums required to balance the budget.
- 3.10 The Budget Planning Committee reviewed a number of components of the 2015-16 budget. These focused primarily on the proposed capital project schemes. This work was carried out from October 2014 until January 2015. The recommendations of this committee were taken to the Executive for consideration on 2 February 2015 and these were included in the final budget proposal. The Executive concluded its budget deliberations on 2 February 2015 and has now recommended a budget to the Full Council.
- 3.11 The draft revenue budget is set out in Table 1 (on the next page). The following changes have been made as a result of the final settlement:
- statutory calculation of the collection fund surplus
 - finalisation of the tax base

Table 1: Revenue Budget 2015-16	Approved Budget 2014-15 £	Draft Budget 2015-16 £	Movement £
Community and Environment			
Community Services	3,527,110	5,496,078	1,968,968
Environmental Services	4,904,252	4,640,014	(264,238)
Community & Environment Directorate Total	8,431,362	10,136,092	1,704,730
Development			
Strategic Planning and the Economy	567,447	607,655	40,208
Public Protection / Development Management	852,162	552,307	(299,855)
Regeneration and Housing	1,471,847	1,874,418	402,571
Development Directorate Total	2,891,456	3,034,380	142,924
Resources			
Transformation	2,782,384	2,478,842	(303,542)
Finance and Procurement	318,489	857,004	538,515
Law and Governance	1,089,403	939,200	(150,203)
Resources Directorate Total	4,190,276	4,275,046	84,770
Bicester Renovation Programme	122,820	387,531	264,711
Chief Executive	176,840	185,040	8,200
Centrally Controlled Items	1,919,054	1,214,994	(704,060)
Credit for Capital Charges	(3,341,264)	(3,999,650)	(658,386)
Net Budget Requirement	14,390,544	15,233,433	842,889
FUNDING			
Business Rates Baseline	(3,401,000)	(3,466,000)	(65,000)
Revenue Support Grant	(3,863,879)	(2,628,514)	1,235,365
Formula grant equivalent	(7,264,879)	(6,094,514)	1,170,365
Transfer to Parish Councils for CTRS	349,000	349,000	0
Transfer Homelessness Grant	99,878	101,000	1,122
Investment income	(49,190)	0	49,190
Council Tax Compensation Grant	0	(63,000)	(63,000)
Collection Fund	(232,640)	(232,683)	(43)
New Homes Bonus	(1,013,000)	(1,272,304)	(259,304)
Business Rates			
S31 Grant	0	(1,136,000)	(1,136,000)
Growth above baseline	(400,000)	(600,000)	(200,000)
Pooling	0	(450,000)	(450,000)
	(8,510,832)	(9,398,501)	(887,669)
Council Tax Income	(5,879,712)	(5,959,246)	(79,534)
Contribution to reserves	0	124,314	124,314
TOTAL INCOME	(14,390,544)	(15,233,433)	(842,889)
(Surplus) / Deficit	0	0	0
Tax Base	47,609	48,253	
Band D Council Tax	£123.50	£123.50	0
% increase in Council Tax	0%	0%	

3.12 The budget will form the financial expression of the Council's service delivery plans for 2015-16; the allocation of resources against agreed service priorities is necessary in order to achieve its strategic priorities.

3.13 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.

- 3.14 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 2015-16. This is the sixth year that Council Tax has been frozen. This compares to a CPI rate at December 2014 of 0.5% and RPI of 1.6%.

Windfall Income

- 3.16 The Council's strategy to reduce reliance on investment income means that nothing has been used in the revenue budget. Forecasts show that we will achieve closer to £333,000 in 2015-16 and any surplus will be treated as windfall and can be used to replenish capital and revenue reserves in line with the existing strategy.
- 3.17 The Collection Fund estimates have been finalised and are detailed in **Appendix 2** - the budget assumes a £232,683 surplus and this is included in the funding. The statutory deadline for producing this information is 15 January 2014 and the statutory calculation is higher than that estimate reported to Executive on 2 February which was based on the Medium Term Revenue Plan (£100,000).
- 3.18 The surplus is currently projected to be higher but at this stage any surplus income in excess of £232,683 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.
- 3.19 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 2015-16.
- 3.20 As part of the settlement, the 2015-16 allocations for New Homes Bonus were also announced. For Cherwell this totalled £2,712,329 for 2015-16. The additional amount for year five only was £686,016. This reflects for 2015-16 a total of 530 additions to the housing stock and empty homes being brought back into use. Therefore the 2015-16 budget has been prepared using £1,272,305 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.
- 3.21 Business Rate Growth – the council is likely to generate growth above its set baseline and will retain some of this locally. We have built in £600,000 for the 2015-16 budget. This will be considered in more detail in the development of the Medium Term Revenue Plan.
- 3.22 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. The grant received in and 2015-16 and will be substantial based on last year's figures. The budget includes £1,053,000 (90%) of the anticipated Section 31 grant monies. This will be considered in more detail in the Medium Term Revenue Plan.

- 3.23 Last year, the decision was taken to form a pool with Oxfordshire County Council and West Oxfordshire District Council. The pool anticipates generating £600,000 for Cherwell, 75% of this amount £450,000 has been built into the draft budget for 2015-16. This estimate is deliberately prudent at this stage given the turbulence and uncertainty still associated with the scheme.
- 3.24 The Council currently makes awards in accordance with Section 47 of the Local Government Finance Act 1988 (as amended) to grant discretionary relief. In order to adopt both the retail relief and transitional relief schemes members will be required to adopt a local scheme and decide in each individual case when to grant relief. The transitional relief policy and retail relief policy is contained in **Appendices 8 and 9** respectively. The costs of the two schemes will be funded from central government.
- 3.25 The Medium Term Revenue Plan will be presented to the Executive in June 2015. The Council has a strong track record and commitment to delivering efficiencies resulting in a 35% reduction in net expenditure of services since 2007-08 when the net revenue budget stood at £23.5m compared to £15.2m in 2015-16. This together with the continued joint working with South Northamptonshire Council strengthens our position to meet the forecast challenges of future years.

Capital Programme 2015-16

- 3.26 This capital programme budget is summarised in table 2 below and the capital bids are listed in **Appendix 1**.

Table 2: Capital Programme from 2014-15 to 2019-20	Total Scheme Cost	2015-16 Profile
Existing capital programme 2014-15	£16,332,414	£0
Proposed additions to the capital programme 2015-16	£5,280,500	£3,675,500
Future schemes agreed prior to 2014-15 budget setting	£78,000	£78,000
East West Railways (Executive 21 October 2013)	£1,740,000	£290,000
Build (Executive May 2014)	£9,482,000	£0
Graven Hill Programme (Executive 1 September 2014)	£44,433,000	£23,333,000
Total Capital Programme to be Financed	£77,345,914	£27,376,500
Financed by:		
<i>Capital Receipts</i>	£23,205,914	£0
<i>Build Programme (Executive 3 March 2014)</i>	£19,136,000	£19,136,000
<i>Graven Hill (Executive 1 September 2014)</i>	£1,428,000	£0
<i>VAT Shelter and Right to Buy Receipts</i>	£4,310,000	£610,000
External Funding:		
<i>Mandatory Disabled Facilities Grants</i>	£2,346,000	£457,000
<i>Bicester Sports Village External Funding</i>	£260,000	£260,000
External Borrowing (for Graven Hill):	£26,660,000	£6,913,500
Total Receipts financing Capital Programme	£77,345,914	£27,376,500

- 3.27 The level of capital receipts is falling and this will be considered in the refresh of the Medium Term Revenue Plan.

Guidance on evaluation of estimates

- 3.28 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.
- 3.29 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.
- 3.30 The above issues are also of relevance when evaluating the robustness of the budget.

Reserves

- 3.31 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.
- 3.32 Reserves can be held for two 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.
- 3.33 These reserves are in the region of £13m but will be subject to change as a result of year-end adjustments and formulating the statutory accounts. The Director of Resources and the Head of Finance & Procurement, together with the Lead

Member for Financial Management, will carry out a thorough review of all reserves as part of the closedown process.

Strategic budget issues to evaluate for robustness

Inflationary Pressures

- 3.34 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.
- 3.35 A local agreement with Unison was reached in December 2014 for a 1.85% annual cost of living pay award for the council's mainstream staff payable from 1 April 2015. Consequently this has been built into the base budget for 2015-16, along with provision for a cost of living pay award for the Joint Management Team and other Shared Managers if this is approved by the Joint Personnel Committee (or equivalent body) later in the year.
- 3.36 The Localism Act requires the Council to approve a statement of pay policy for 2015-16 by 31 March 2015. 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 **Appendix 7**. It should be noted that a shared policy statement has been created with South Northamptonshire Council to reflect 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

- 3.37 The revenue budget includes all revenue effects of capital schemes. Assumptions of new capital receipts in 2015-16 are based on realistic estimates received from the relevant officers in the Council.

Treatment of demand-led pressures and efficiencies

- 3.38 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.

Capacity to manage in-year budget pressures

- 3.39 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.

- 3.40 Managers with budgetary responsibility receive financial training and support. The Executive receives quarterly budgetary control reports, including proposed actions to deal with any variances from budget.

Risk Management and Insurance Arrangements

- 3.41 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.

Longer-Term Considerations

- 3.42 Although this report has the 2015-16 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.
- 3.43 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.
- 3.44 The next Medium Term Revenue Plan, covering the years 2015-16 to 2019-20 will be considered by the Executive in June 2015. Although managerial action will be required during the 2015-16 budget year to deal with the likely budget deficit from 2016-17 onwards there are currently no plans which will affect the 2015-16 budget itself.
- 3.45 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.

Specific Service Budget Risk Considerations

- 3.46 Estimates for Housing Benefit payments, related Government subsidy and administration 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 few years and may 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.
- 3.47 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.
- 3.48 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.

- 3.49 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.
- 3.50 The homelessness budget is demand-led and therefore difficult to accurately estimate. It will be closely monitored.

2015-16 Treasury Strategy

- 3.51 The Treasury Management Strategy is the cornerstone of proper treasury management, and is central to the operation, management reporting and performance assessment.
- 3.52 The proposed strategy for 2015-16 is attached in **Appendix 6** 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).
- 3.53 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.
- 3.54 The strategy detailed in **Appendix 6** covers:
- The Current Treasury Position
 - Prospects for interest rates
 - The borrowing strategy
 - Prudential Indicators
 - The investment strategy
 - Creditworthiness policy
- 3.55 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.
- 3.56 In addition there will be monitoring reports and regular review by members in both executive and scrutiny functions.
- 3.57 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.
- 3.58 This Council adopts the reporting arrangements outlined in the attached Strategy.

Counterparty Ratings

- 3.59 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.

- 3.60 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.
- 3.61 The early adoption of the EU Bank Recovery and Resolution Directive (BRRD) in the UK and the EU and UK Bank of England Bank Stress tests on a number of UK Banks has resulted in the ratings agencies reviewing their methodologies which has meant that the ratings of a number of counterparties have reduced but which are still within the Council's minimum criteria whilst other institutions have been placed on a 'negative' watch. This is not indicative of deteriorating credit quality in the institution concerned. Instead it is reflective of underlying methodology changes by the agencies in light of regulatory changes. The Council's Treasury Management advisors have given their views and advice in respect of these developments which is being followed by the Treasury Management team.
- 3.62 As a result of the full implementation of the BRRD from July 2015, it is expected that the number of institutions on the counterparty list will reduce which coupled with the continuing low rates of interest will require the consideration and use of a range of investment products away from the traditional unsecured fixed term deposits and Money Market Funds. This has been allowed for in the Treasury Management Strategy at **Appendix 6**.
- 3.63 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 2015-16 financial year.

Minimum Revenue Provision (MRP) Policy

- 3.64 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.
- 3.65 This MRP Statement is being submitted before the start of the 2015-16 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

- 3.66 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.

- 3.67 It is considered that these requirements are in fact met and that the budget is sufficiently robust to be recommended for approval.
- 3.68 The production of the Treasury Management and Investment Strategy is a requirement of the CIPFA Code of Practice for Treasury Management.
- 3.69 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 “Authorised Borrowing Limit”.
- 3.70 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.
- 3.71 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, strategic priorities and annual business plan for Council to consider alongside the setting of the 2015-16 Council Tax.

5.0 Consultation

- 5.1 This report has been considered by Councillor Ken Atack, Lead Member for Financial Management and Councillor Kieron Mallon, Lead Member for Banbury Developments, Communications and Performance.
- 5.2 The Executive has considered the budget through different reports from October through to December.
- 5.3 The Budget Planning Committee has considered the budget through its meetings during October to January.
- 5.4 The Executive considered the draft strategic priorities, key objectives and key outcomes for 2015-16 at its December 2014 meeting.
- 5.5 The Overview and Scrutiny Committee considered the proposed strategic priorities, key objectives and key outcomes for 2015-16 at its meeting on 13 January 2015 and did not wish to recommend any changes for the Executive to consider ahead of finalising its proposals for Full Council to consider at this meeting.
- 5.6 The Executive has consulted on its proposed budget and also used both the annual customer satisfaction survey and the Citizen’s panel to look at budget issues and

develop the annual business plan and the specific outcomes required for the Council and our residents / stakeholders for the year ahead.

5.7 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 2015-16 revenue and capital budget. This will be presented to Council on the 23 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 2015-16 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@cherwellsouthnorthants.gov.uk

Risk management

7.3 The purpose of the Performance Management Framework is to enable the Council to deliver its strategic priorities and key outcomes. 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, Acting Corporate Performance Manager.
01295 221786 louise.tustian2@cherwellandsouthnorthants.gov.uk

Equality and Diversity

- 7.4 Both the proposed budget and business plan have been subject to an equality impact assessment with no recommendations for action.

Comments checked by: Caroline French,
01295 221786 louise.tustian2@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

All

Lead Councillors

Councillor Ken Atack – Lead Member for Financial Management

Councillor Kieron Mallon – Lead Member for Banbury Developments, Communications and Performance

Document Information

Appendix No	Title
1	Capital Bids 2015-16
2	Collection Fund Estimates
3	Five Year Strategy
4	Business Plan 2015-16
5	Pledges 2015-16
6	Treasury Strategy
7	Pay Policy
8	Retail Rate Relief Policy
9	Transitional Relief Policy
Background Papers	
None	
Report Authors	Paul Sutton, Head of Finance & Procurement Joanne Pitman, Head of Transformation
Contact Information	paul.sutton@cherwellandsouthnorthants.gov.uk Tel: 0300 003 0106 jo.pitman@cherwellandsouthnorthants.gov.uk Tel: 0300 0030108

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CDC - NEW CAPITAL BIDS 2015-16

Appendix 1

Rank	Score	Bid No	Capital Scheme	Lead member	Lead officer	Total Cost £	External Funding £	CDC Profiled Spend					Annual Revenue Impact (2015/16)			ARI 16/17 - 19/20 6% Debt £
								2015/16 £	2016/17 £	2017/18 £	2018/19 £	2019/20 £	6% Debt £	Costs £	Savings £	
1	34	7	Vehicle Replacement Programme	Cllr Illott	Ed Potter	558,000	0	558,000	0	0	0	0	33,480	0	(42,000)	0
2	30	22	Disabled Facilities Grants	Cllr Pickford	Chris Stratford	832,000	457,000	375,000	0	0	0	0	22,500	0	0	0
3	29	20	Woodgreen - Condition Survey Works	Cllr Bolster	Karen Curtin	30,000	0	30,000	0	0	0	0	1,800	3,000	0	0
4	28	8	Banbury Museum - Emergency Lighting Replacement	Cllr Bolster	Karen Curtin	30,000	0	30,000	0	0	0	0	1,800	0	0	0
7	26	3	The Hill Youth & Community Centre (increased from £225k to £400k)	Cllr Reynolds	Nicola Riley	400,000	0	400,000	0	0			24,000	0	0	0
8	24	4	Workshop Brake rollers	Cllr Illott	Ed Potter	32,000	0	32,000	0	0	0	0	1,920	0	(9,000)	0
8	24	16	Orchard Way Shopping Arcade - front service area and garage demolition	Cllr Bolster	Karen Curtin	300,000	0	300,000	0	0	0	0	18,000	0	0	0
8	24	19	Units 21 & 23 Thorpe Place - Replacement of Roof Lights	Cllr Bolster	Karen Curtin	30,000	0	30,000	0	0	0	0	1,800	0	0	0
8	24	21	Discretionary Housing Grants	Cllr Pickford	Chris Stratford	275,000	0	275,000	0	0	0	0	16,500	0	0	0
12	22	9	Bodicote House - Access Control System	Cllr Bolster	Karen Curtin	35,000	0	35,000	0	0	0	0	2,100	0	0	0
18	21	1	WGLC Dry Side Refurbishment	Cllr Reynolds	Sharon Bolton	1,200,000	0	0	1,200,000	0	0	0	0	0	0	72,000
18	21	2	Bicester Sports Village (Pavilion upper floor and 3G Synthetic Pitch)	Cllr Reynolds	Sharon Bolton	835,000	260,000	530,000	45,000	0	0	0	31,800	0	0	2,700
18	21	23	HR / Payroll System replacement (CDC / SNC)	Cllr Atack	Paul Sutton / Jo Pitman	37,500	0	37,500	0	0	0	0	2,250	0	0	0
19	19	5	Glass Recycling Bank Scheme	Cllr Illott	Ed Potter	15,000	0	15,000	0	0	0	0	900	0	(2,000)	0
19	19	6	Public Conveniences	Cllr Illott	Ed Potter	25,000	0	25,000	0	0	0	0	1,500	0	0	0
			ICT bids													
19	19	24	Microsoft Licencing	Cllr Turner	Balvinder Heran	110,000	0	110,000	0	0	0	0	6,600	0	0	0
21	19	25	Disaster Recovery	Cllr Turner	Balvinder Heran	35,000	0	35,000	0	0	0	0	2,100	5,000	0	0
21	19	26	Email Archiving	Cllr Turner	Balvinder Heran	35,000	0	35,000	0	0	0	0	2,100	2,500	0	0
21	19	27	5 Year Rolling Hardware / Software Replacement Programme	Cllr Turner	Balvinder Heran	250,000	0	50,000	50,000	50,000	50,000	50,000	3,000	0	0	0
21	19	28	Business Systems Harmonisation Programme (ICT infrastructure elements only) (5 Year)	Cllr Turner	Balvinder Heran	200,000	0	40,000	40,000	40,000	40,000	40,000	2,400	0	0	9,600
21	19	29	Visualfiles Upgrade	Cllr Turner	Balvinder Heran	16,000	0	16,000	0	0	0	0	960	0	0	0
			Total Budget Planning Committee supported Capital bids 2015-16			5,280,500	717,000	2,958,500	1,335,000	90,000	90,000	90,000	177,510	10,500	(53,000)	84,300
													135,010			

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APPENDIX 2

CHERWELL DISTRICT COUNCIL
COLLECTION FUND : REVISED ESTIMATES 2014/15

COUNCIL TAX:

£.pp

(SURPLUS)/ DEFICIT AS AT 1 APRIL 2014

Oxfordshire County Council	(1,306,891.04)
Thames Valley Police Authority	(173,583.17)
Cherwell District Council/ODPM	(229,814.28)
	<u>(1,710,288.49)</u>

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

Oxfordshire County Council	1,346,640.60
Thames Valley Police Authority	178,873.16
Cherwell District Council	232,640.64
	<u>1,758,154.40</u>

INCOME FOR THE YEAR:

Income From Council Tax	(70,857,245.11)
Money due from DCLG CTR scheme (90% of CTR assuming 10% cut in monies)	(6,168,016.91)

(77,025,262.02)

Income From Non-Domestic Rates

0.00**TOTAL INCOME FOR THE YEAR**(77,025,262.02)**EXPENDITURE FOR THE YEAR:****Precepts and Demands:**

Oxfordshire County Council	57,531,192.00
Thames Valley Police Authority	7,641,721.00
Cherwell District Council: General Purposes	5,879,712.00
Cherwell District Council: Town & Parish Council Precepts	3,929,824.99
	<u>74,982,449.99</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

23,437.00

Write off of Bad Debts

192,915.62**TOTAL EXPENDITURE FOR THE YEAR**75,198,802.61**(SURPLUS)/ DEFICIT FOR THE YEAR**(1,826,459.41)**DIVISION OF (SURPLUS)/ DEFICIT FOR THE YEAR**

Oxfordshire County Council	(1,401,373.08)
Thames Valley Police Authority	(186,140.80)
Cherwell District Council	(238,945.53)
	<u>(1,826,459.41)</u>

(SURPLUS)/ DEFICIT AS AT 31 MARCH 2015(1,778,593.50)**DIVISION OF (SURPLUS)/ DEFICIT AS AT 31 MARCH**

Oxfordshire County Council	(1,364,647.38)
Thames Valley Police Authority	(181,262.62)
Cherwell District Council	(232,683.50)
	<u>(1,778,593.50)</u>

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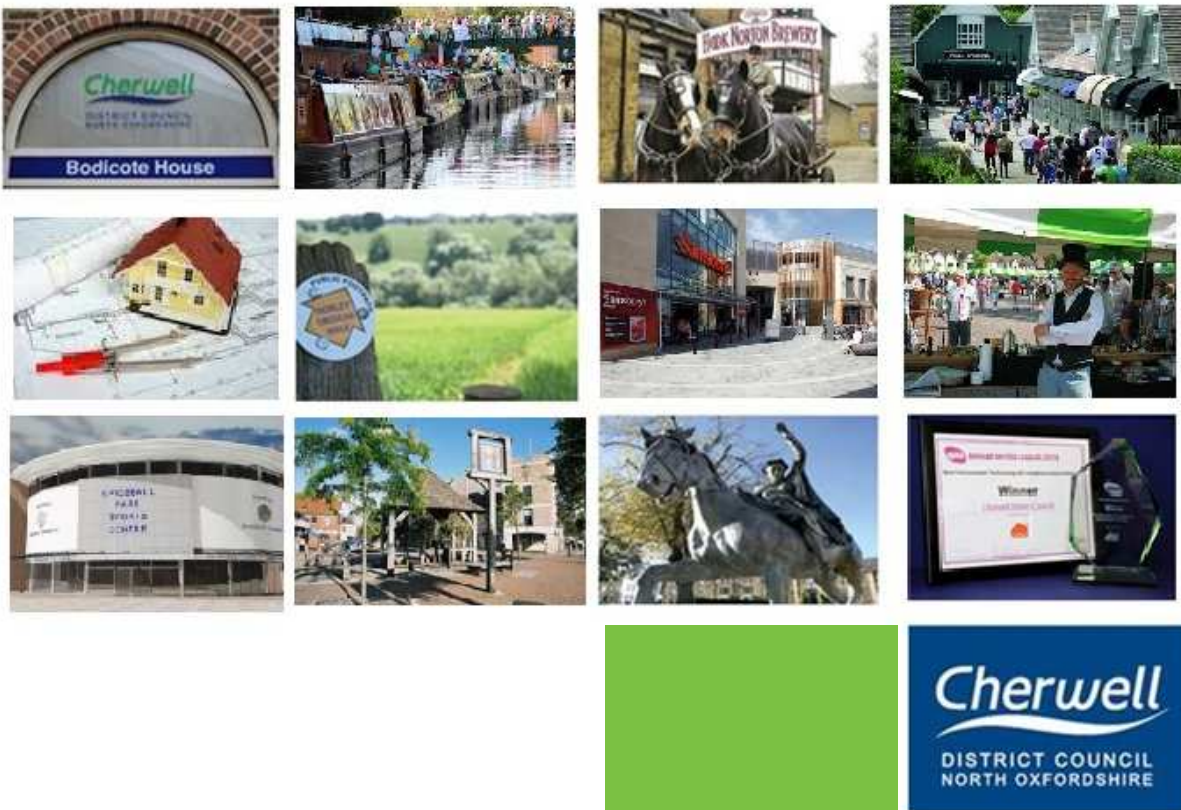
Five Year Business Strategy - Priorities for the 5 year strategy

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 the 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. Implement the Cherwell Local Plan as the framework for sustainable housing, new employment and infrastructure investment over the next 20 years	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. Complete and implement the Masterplan 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. Complete and implement the Masterplan 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, tackling Anti-Social Behaviour and focussing on safeguarding our residents and businesses.	c3. Provide high quality housing options advice and support to prevent homelessness.	
a4. Complete and implement the Masterplan for Kidlington, helping to develop a strong village centre 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. Deliver rolling strategy of the 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 business growth within the District.		c6. Provide support to the voluntary and community sector.	
a6. Deliver high quality regulatory services that support the growth of the local economy.		c7. Protect our built heritage by supporting effective conservation, managing the impacts of growth and working to ensure development takes place in appropriate areas.	d5. Work to ensure the Council gets the most out of its resources, including land and property through effective asset management.
		c8. Work to ensure rural areas are connected to local services.	d6. Deliver below inflation increases to the CDC element of Council Tax.

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Business Plan 2015-16



Introduction

Welcome to Cherwell District Council's business plan for 2015-16. This document sets out the Council's four strategic priorities along with the key objectives and actual deliverables for the coming year, and how progress and success will be measured and monitored, taking into account the priorities and aspirations of the communities and people who live and work in our District. Our business plan is based on a strategic understanding of the challenges and opportunities facing our District and the consultation we undertake with local businesses and residents to determine local requirements.

But before looking to the future, it is always helpful to reflect upon the past; to see how we can improve further and to be clear about the future direction of travel. To challenge ourselves and ask the question, are we still moving in the right direction and at the right pace?

With our partner, South Northamptonshire Council, we have taken a pro-active, direct approach to dealing with the current challenges facing local government. By tackling issues head on – developing efficient working models, focusing on increasing the Councils' capacity for innovation, agility and the need to be fit for the future, we are carving out a space for Cherwell District to stay at the forefront of implementing new ways of delivering services that maintain quality and standards at the front line. We are truly transforming and the benefits are real. They can be evidenced through the on-going financial savings that we are making, and our ability to avoid increasing council tax levels for the sixth year in succession.

Our confidence, excitement and ambition have grown enormously over the past couple of years and we are clear about the future. We are continuing to work with our third partner, Stratford on Avon District Council (SDC) and can now show that shared services across three councils, in three counties and in three regions also sit comfortably with our "can-do" mantra.

Our commitment to transforming public services continues to be recognised and supported by the Government and we are proud that this has been reflected through further additional Government grants totalling £2m to be used for the further development of innovative working practices. We are proud that we are seen as an exemplar in innovation and transformation, and that that enables us to continue to raise the national profile of our District.

Sharing services and exploring the potential for new ways of delivering public services represents the economic reality of tomorrow's local government services and our strategic march to survival and growth, which is what we want for our District. But it is not just the reform of public services within our District that gives us every reason to be proud and enables us to steer the District towards a stronger future; so does national accreditation in the form of being awarded garden city status in Bicester, and so does the acquisition of the former MoD site, known as Graven Hill, both of which we achieved in 2014.

To achieve this vision we recognise that a strong local economy is essential for a strong local community. And this remains our overriding priority. We will continue to promote economic growth; building thriving communities through a strong, sustainable, and dynamic local economy

offering our communities more stable, high quality and high value jobs, with increased opportunities for all, and more affordable homes for local people.

Against an on-going background of rapidly reducing financial resources, our business plan directly aligns the Council's vision and priorities with its current and future income so that the Council will be able to manage its day-to-day business even more effectively and transparently.

During 2014-15 the Council continued to deliver high quality services, new projects and innovations, whilst taking pride in the fact that our 2014 annual customer satisfaction level for overall satisfaction is the highest level recorded since the survey began in 2006.

Some highlights include:

- ensuring high rates of recycling, street cleanliness and neighbourhood litter blitzes to improve the quality of our local environment
- job clubs continued across the District, with over 1290 job seeker visits. Of particular note was the Banbury Job Fair held at the end of February 2014 which attracted over 200 jobseekers and a dozen employers.
- significant progress was made on preparing the Local Plan for the District and the draft submission was formally submitted in January 2014 to the Secretary of State for Communities and Local Government for public Examination.
- the Masterplans for Banbury and Bicester were successfully progressed during the year with the opening of Pioneer Square in Bicester. Planning permission for the Community Building has been submitted and outline planning has been approved for Castle Quay 2 project in Banbury.
- we were selected as finalists by the Government Opportunities (GO) Excellence in Public Procurement Awards for Collaborative Procurement
- we were shortlisted for our work in transforming the way we provide services with our partner, South Northamptonshire Council, and for our own unique agenda in connecting with you, our residents.
- the overall percentage of people satisfied with the services' provided by the Council rose again, to 76%.
- This business plan outlines our performance pledges for the year, our major projects and key objectives. We remain committed to working effectively with our partners to ensure high quality services are delivered in times of financial constraint. We are also keen to use the new freedoms for local communities and public service providers to provide better and more locally determined services.

We believe we are still moving in the right direction and at the right pace. We hope you are inspired by our journey and our on-going commitment to this District.

Councillor Barry Wood



Leader of Cherwell District Council

Sue Smith



Chief Executive, Cherwell District and South Northamptonshire Councils

An overview of Cherwell

Named after the River Cherwell which flows through it, the District is located between London and Birmingham, at the most northern point of the South East region, where it meets the West Midlands and East Midlands. Cherwell borders Oxford City, South Oxfordshire, Vale of White Horse, West Oxfordshire, Aylesbury Vale, South Northamptonshire and Stratford on Avon Districts. The District is at a number of major cross-roads; the M40 passes through Cherwell and has strategic connections to the A34 and A43, while there are good rail connections to both London and Birmingham, with new investment bringing new rail connections to Oxford, Reading, Milton Keynes and Bedford.

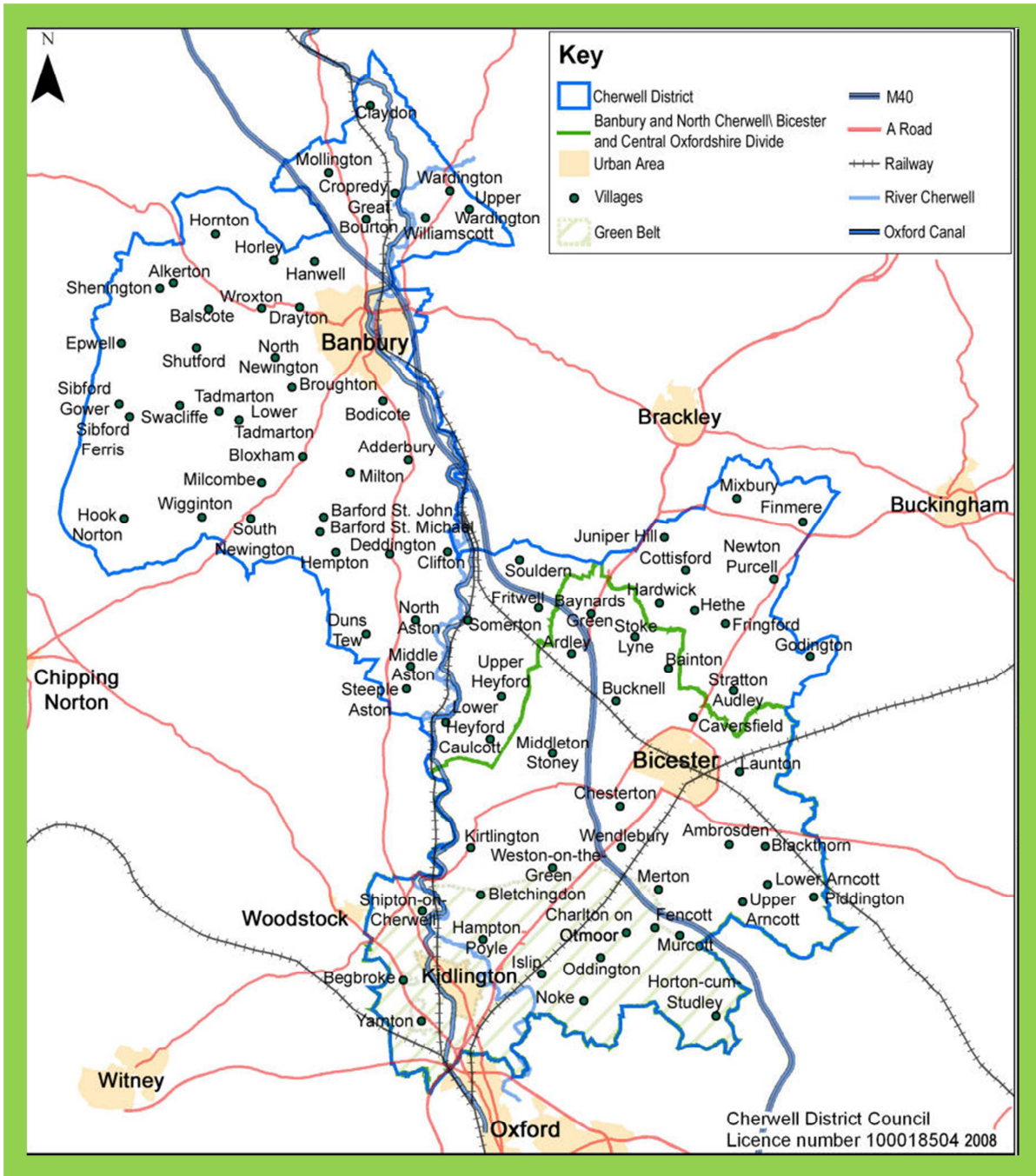
Approximately 142,252 people live in the District with over half of the population living in the principal centres of Banbury, Bicester and Kidlington; the remainder in more than 70 smaller settlements. Cherwell's population has increased significantly over the past 20 years and this trend is set to continue with the population predicted to reach 155,650 by 2021.

One of the Council's main strategic challenges is to ensure that the District grows in a sustainable way; one that delivers a prosperous economy and thriving communities.

Most of the recent growth has been in the towns of Banbury and Bicester and this trend will continue over the coming years. Bicester's population in particular is expected to increase significantly, predominately as a result of the North West Bicester development which will see approximately 6,000 houses built over the next 20 years and the Graven Hill development which includes the UK's largest self-build housing development. Delivering the Local Plan will play a key role in this, as will implementing the Masterplans for Banbury and Bicester to secure new housing, retail, employment and leisure opportunities. The Council is working with its partners to ensure that this growth is delivered, with infrastructure provided while protecting and enhancing the character of our urban centres, villages and landscapes.

Another key challenge for the District will be responding to population changes. The population of Cherwell is continuing to age, with the number of residents aged 60 and above predicted to increase by over 7,000 between 2011 and 2021. By 2021, nearly a quarter of Cherwell's population will be aged 60 or over. This rate of increase will provide challenges and the Council will have to continue to anticipate the future services required by our older population, building on our strong track record of ensuring the needs of older residents are met. The Council is focused on ensuring that our services are accessible to all people living in the District.

Another of the Council's key challenges will be to ensure that communities across the District continue to thrive. As part of this commitment, the Council will be working with partners to increase the affordable housing options across the District, whilst continuing to work with partners to support financial inclusion and help local people into employment by promoting the District as a great place in which to live, work, invest and visit. A key element of this will be delivering the Brighter Futures in Banbury programme which focuses on the most deprived areas of the District.



For more information about Cherwell and the District in Oxfordshire go to our partnership website: - <http://www.oxford.gov.uk/districtdatapublications>

Section 1: A focus on delivery

Our strategic approach to Business Planning: Managing our Performance, Resources and Assets and ensuring Accountability and Transparency to our residents and stakeholders.

As part of our annual business planning process we follow a clear cycle. We consult with businesses and residents to understand local priorities, we work with our partners to agree priorities and objectives and set a budget to deliver them. Finally our services develop plans to ensure we meet our commitments and we monitor and report upon our progress.

Each annual business plan outlines the key actions/tasks in the relevant year, along with the associated performance measures/outcomes. This enables us to demonstrate that we align our resources to the delivery of the agreed business strategy in the most effective way possible, whilst also providing a clear direction of travel for the Council, its employees and for everyone in our District and those who read this document.

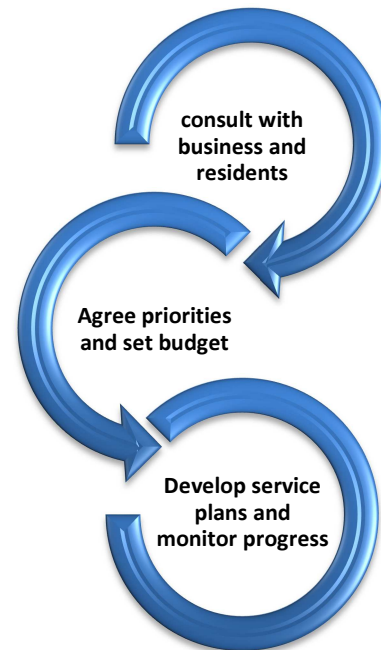
It will provide the foundation for us to be judged by anyone who wishes to measure our progress, and builds upon some of the external accreditations and acknowledgements received in recent years.

Our business planning cycle is underpinned by a rigorous approach to budget reviews aimed at identifying opportunities for increased efficiency and performance. This process is led by locally elected members.

Improvement and Innovation

The Council has a robust strategy in place to deliver savings and service efficiencies as significant budgetary constraints continue to affect local government as part of the national plan to reduce the budget deficit. The joint working transformation programme sets out how the Council will protect frontline services and reduce running costs by working with partners to commission and deliver collaborative services. We will achieve this through exploring opportunities with our partners to share services and generate income by providing services to others where appropriate. In previous years savings have been delivered through shared senior management and business support services such as human resources and finance. As the transformation programme develops the council will look at opportunities in frontline services for collaboration to enhance capacity and reduce running costs.

During 2015-16 the council will also work to develop innovative solutions to help deliver service improvements and support local communities.

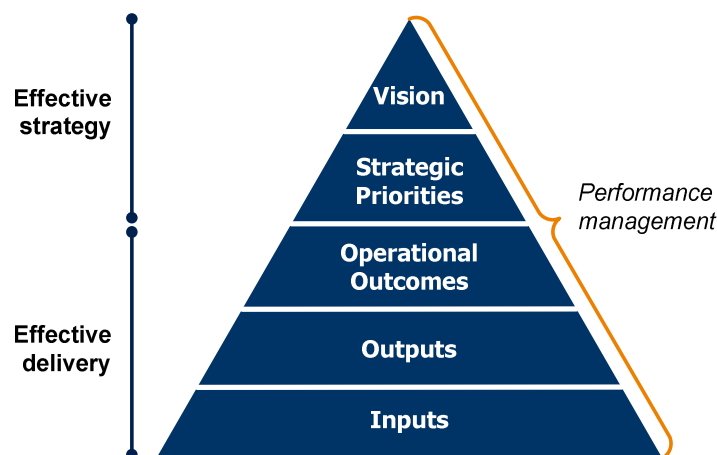


An ICT development plan will help improve access to services online and continued work with suppliers will identify procurement savings and reduce energy costs.

Managing our Performance

Together the medium term financial plan, along with the annual business plan, individual operational service plans and ultimately the appraisal targets of individual employees all demonstrate that the Council has a clear and robust “golden thread” between resource availability and delivery of the Council’s agreed strategic priorities. In times of austerity, these tools are fundamental, and help us to provide effective community leadership, and will demonstrate that we are adopting a more mature and commercially aware approach to running our Council.

Performance management represents an essential part of our assurance and accountability process. It ensures that we are focused on the delivery of our strategic and operational objectives and provides an effective way of demonstrating our achievements to local residents whilst also being transparent about the issues or challenges that we are facing.



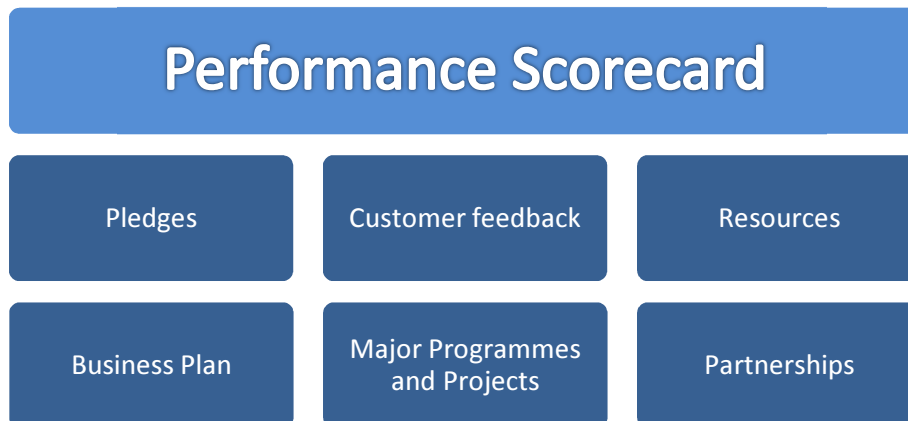
Reporting our Performance

The table overleaf outlines our performance scorecard. As with any business we report on a number of measures which reflect the Council’s priorities and core activities. These include the performance pledges, customer feedback and resources. We also review our business plan targets, the performance of key Council services, major programmes and projects and our work with commercial and voluntary sector partners.

This approach helps to ensure we monitor the performance of our whole organisation.

We report our performance on a quarterly basis and it is reviewed by the Overview and Scrutiny Committee before being considered by The Executive. This facilitates a whole council owned and transparent approach to performance management. Where performance issues and challenges are identified the Joint Management Team and lead elected members work together to deliver improvement.

Details about our performance and expenditure are published on a monthly basis and can be found on the finance and performance pages of our website. www.cherwell.gov.uk



Managing our Resources

The Council continues to face challenging financial times, and we are not alone. Many other local authorities and public sector agencies are feeling the very real effect of decreasing funding, and are having to consider decisions that they thought they would never have to contemplate. We can and must learn from the experience of others. To that end, we are opening our eyes and minds to new ways of delivering our services. We are actively exploring all opportunities to not only ensure our survival, but ultimately also our growth. It is an ambitious aspiration, but it is one that we have to face head on. And it is our commitment to you. We must ensure that as taxpayers, your money is spent wisely and that we deliver services that provide you with what you need, when you need it.

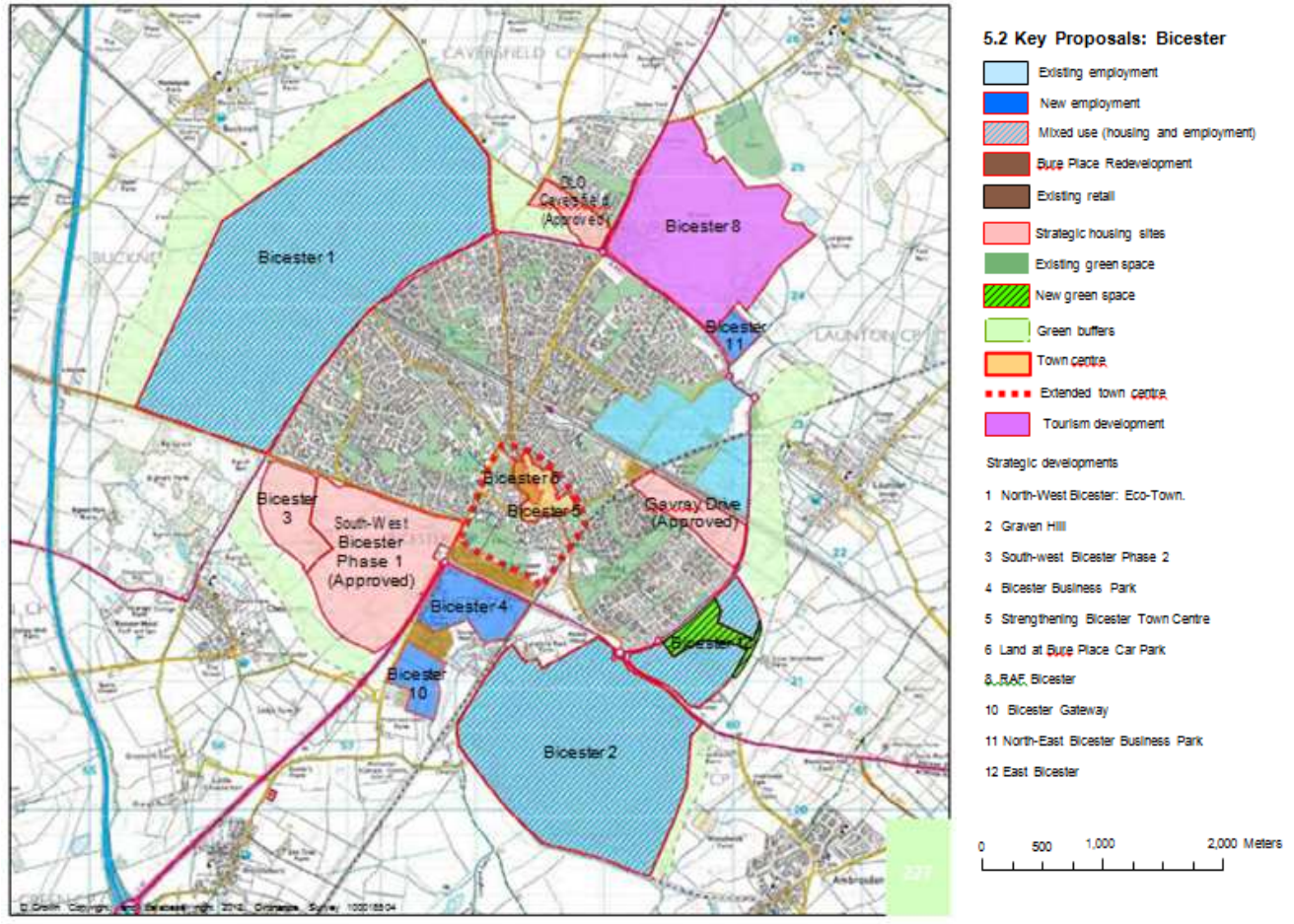
For the sixth year in succession the Council has avoided asking you for an increase in its proportion of council tax for 2015-16. We have achieved this by continuing to proactively embrace the challenges of reduced government funding by using innovative thinking, technology, joint working and ensuring services offer value for money.

The revenue budget for 2015-16 can be found in our budget book which is signposted below. The Council also has an ambitious Capital Programme and an aspiration to regenerate the two market towns of Banbury and Bicester whilst not forgetting to invest adequate financial capital resources across the rest of the District for the people who live and work here. We aim to do this by delivering high quality programmes which will significantly boost the economic prosperity of the area and create much needed jobs and investment.

Cherwell District Council has a main Capital Investment Programme for 2015-16. The programme is funded through a mixture of grants, capital receipts and other Council resources. Like all public sector organisations, we face challenging economic conditions.

The main schemes into which the capital investment is being focused will help to achieve better housing conditions, improved vehicles for refuse collection and recycling, and more environmentally friendly facilities for the tax payers of the District to use.

The Council has acquired through a company limited by shares the Ministry Of Defence site at **Graven Hill, Bicester** in order to deliver the UK’s largest-self build housing development within a beautiful location; a million square feet of state-of-the-art commercial space, delivering jobs, inward investment and growth; new recreation opportunities for Bicester with extensive open space.



The Council’s Vision for Graven Hill is for it to be:

- The UK’s largest-self build housing development – delivering diversity in the local housing market through creating the largest opportunity in the UK for people who want to build their own homes, within a beautiful location.
- State of the art commercial space – delivering the creation of jobs and inward investment and growth in the local economy, through creating a million square feet of commercial space and attracting new forms of technology and manufacturing.
- A new recreation ‘offer’ for Bicester- through the creation of extensive open space including woodland, cycle paths, sports pitches and recreation and play areas.
- An innovative project that will deliver financial benefits to the Council that can be reinvested in other innovative projects across the District.

The site will be delivered in 2 phases – Sept 2015 and Sept 2019 and the project will run for 10 years. The project is governed by the Council by the Partnering Board.

The Council has, through the creation of a Graven Hill Development Company in 2014, purchased the land from the Ministry of Defence for £27m. Graven Hill will deliver the UK's first large-scale self-build community of up to 1,900 homes and one million square feet of commercial space.

This is a multimillion pound project which cannot be met from existing capital resources. Therefore the associated costs will be financed through borrowing in line with the Council's Treasury Management Strategy.

More details about our budget can be found in the Council's budget book which accompanies this document and is available on the finance pages of our website. www.cherwell.gov.uk

Asset Management

The Council undertook a fundamental review of its Assets in 2014. This Asset Review & subsequent strategy has been created to:

- Clarify the extent of the Council's property portfolio,
- Provide some 'purpose' to the portfolio through a re-organisation of the property interests into meaningful 'Sub-Portfolios'
- Provide information about annual liabilities and sources of income
- Challenge the retention of some property interests,
- Highlight priorities and issues that will need to be resolved
- Identify specific objectives and actions to address the issues, and
- Scope out the delivery platform required to drive the actions identified forwards.



The outcomes required of the strategy are that by 2019;

- We will have a single, comprehensive source of shared property data to support informed decision-making.
- We will have a 'first class' Strategic and Professional approach to the guardianship of our property portfolio supported by a robust delivery platform.
- We will have a best value for money solution for our operational office accommodation (HQ and 'Local Front Doors').
- We will have agreed an approach to our Depot provision, with our Partners and addressed short term issues.

In order to deliver this strategy and ensure we are maximising the value of our assets we will focus on developing the following plans in 2015-16:

- 1) Asset Strategy Resource Plan
- 2) Operational Offices Plan
- 3) Car Parks Plan
- 4) Community Buildings Plan
- 5) Local Centres Plan

Innovation in Cherwell

The i-lab (previously known as the Innovation Group) is an open forum for staff across Cherwell, South Northamptonshire and Stratford-on-Avon District Councils that facilitates creativity, innovation and delivery.

The i-lab's mission is to encourage entrepreneurial and innovative spirit across the three Councils and to support people with good ideas to develop and test them so that they can be put into practice.

The forums are held across the three Councils and are open to every member of staff. The Chief Executive of Cherwell and South Northamptonshire and the Chief Executive of Stratford-on Avon attend but do not lead the sessions. All staff across the three Councils are encouraged to bring forward ideas for innovation through the 'i-lab.' A series of bold ideas for saving money, streamlining processes and saving time are being generated and on agreement, applied to each Council.

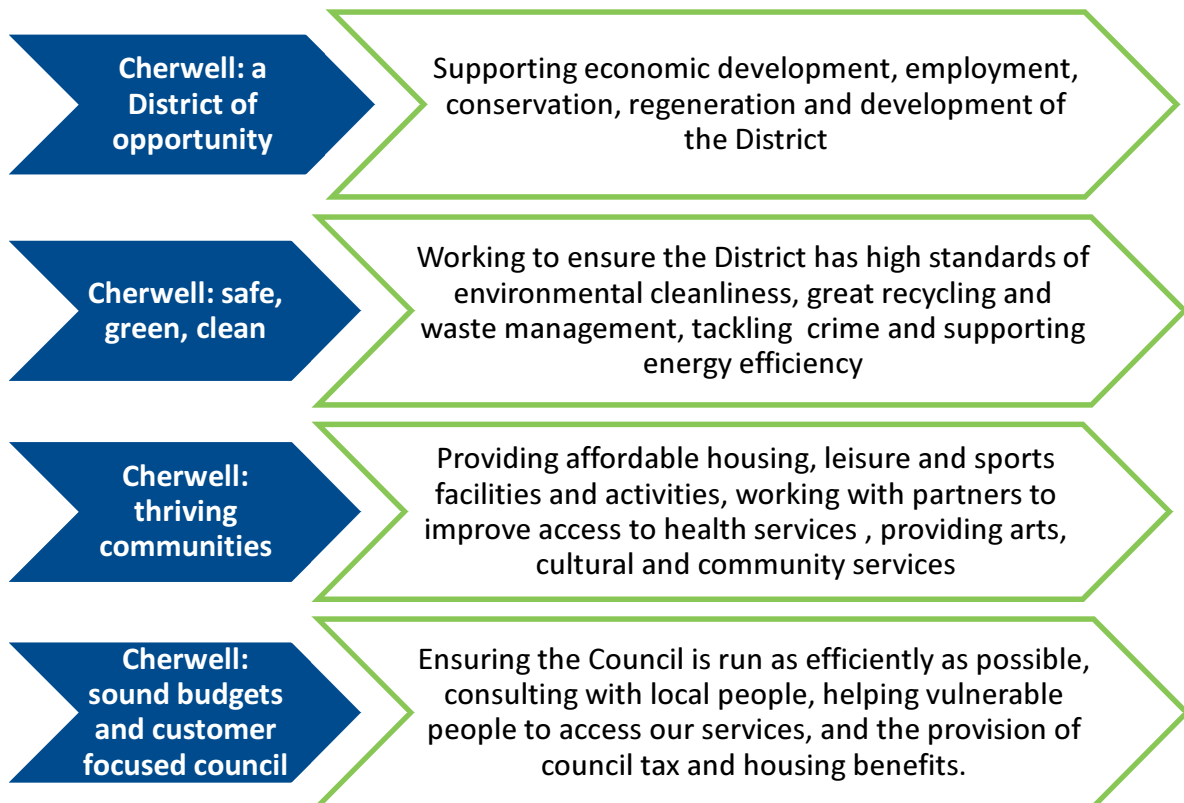


The i-Lab has met six times as a 3-way group since January 2014. Since then six ideas have been through the i-Lab and four of those ideas are now being progressed further with support from members of the i-lab. The i-lab has also facilitated training on innovation and design thinking for 30 members of staff.

Section 2: Council Priorities and Business Plan 2015-16

The work that we have outlined above and our approach to serving the District demonstrates our commitment to reform, to regeneration and growth, to healthy challenge of past and present practices, as well as to challenge of ourselves. We believe that only by being open to such challenge and innovation can we learn and grow and deliver the best for our residents and local businesses. That is why our long term vision for the District continues to be ambitious.

Our long term vision for the District is ambitious. Working with our partners in the public, private and voluntary sectors we are aiming to build a District with a diverse economy. We are working to secure opportunities for all, and to help grow vibrant, thriving communities connected by a sense of pride, place and purpose. To help deliver this vision the Council has four strategic priorities. These priorities shape the work we do, our services, plans and major projects. They are outlined below:



Our business plan for 2015-16 is based around these four strategic priorities, with each having a set of key objectives, actions and targets.

These are outlined in more detail on pages 14 to 20.

In addition to our strategic priorities we have an ambitious programme of projects which will help to deliver long term benefits to the District. These are:

- **Bicester projects** delivery of the North West Bicester development, helping to provide an innovative and sustainable place to live and work, continuing to improve the retail and leisure offer in Bicester town centre, helping the town to develop into a thriving community.
- **Banbury projects** supporting the development of Banbury Town Centre and sustainable development in key areas in the town.
- **Kidlington projects** supporting the completion and implementation of the Masterplan, helping to develop a strong village centre afforded by its location.
- **Banbury Brighter Futures** working to address disadvantage and health inequalities in Banbury town.

Joint Working and Service Transformation continuing to reduce the base cost of back office services to protect frontline and core service delivery

Cherwell: a district of opportunity

Implement the Cherwell Local Plan as the framework for sustainable housing, new employment and infrastructure investment over the next 20 years

- Deliver a Community Infrastructure Levy (CIL), Bicester, Banbury Town and Kidlington Masterplans and SPDs for strategic sites to guide investment.

Complete and implement the Masterplan for Bicester helping to provide new housing, jobs and leisure opportunities.

- Northwest Bicester: facilitate the 5 applications for the site
- Northwest Bicester: delivery of the Eco – Bicester business centre
- Complete the Bicester town centre regeneration including the council commercial community building
- Graven Hill: deliver the demonstration project on the Graven Hill site
- Graven Hill: set up a sales and marketing suite to promote the plots
- Graven Hill: appoint an infrastructure contractor
- Deliver the SW Bicester Phase 2 (sports pavilion and 3G pitch)

Complete and implement the Masterplan for Banbury helping to provide retail, employment and town centre development opportunities.

- The extension and improvement of Woodgreen Leisure centre as a better facility for the town
- Prepare a scheme for the redevelopment of the Bolton Road site
- Secure a start on site by the developer subject to the detailed development agreement being completed, and maximise the Council's income and returns from Castle Quay and Castle Quay 2
- Take steps to develop a Masterplan for the redevelopment of Canalside within Banbury Town Centre redevelopment
- Commission and complete a commercial appraisal for Banbury town centre, and subsequently bring forward appropriate redevelopment proposals for urgent consideration
- Develop a car parking strategy for the town
- Review future arts provision

Cherwell: a district of opportunity

Complete and implement the Masterplan for Kidlington, helping to develop a strong village centre afforded by its location.

- Agree the next steps for the development options for Kidlington against agreed timescales and milestones
- Establish new management arrangements for SBSG on behalf of KPC

Promote inward investment and support business growth within the District.

- Support business growth, skills and employment in local companies and the visitor economy to strengthen the economy of the District.
- Continue to use the Cherwell Investment Partnership as a hub for inward investment and ensuring sufficient business sites and employment land are available to meet the needs of the District.
- Produce marketing material to promote commercial and industrial business sites to the area

Deliver high quality regulatory services that support the growth of the local economy.

- Build on the Council's 'Better Business' approach to support new and existing businesses
- Work proactively with developers on both planning applications and pre-application enquiries to enable the speedy delivery of new commercial projects
- Identify the blockages to development and investigate a range of solutions, in consultation with planning agents
- Provide high quality responsive regulatory services
- Embed the Regulatory Code and Corporate Enforcement Policy

Cherwell: safe, green, clean

Provide high quality recycling and waste services, aimed at helping residents recycle as much as possible.

- Maintain a minimum 57% recycling rate
- Maintain levels of customer satisfaction with the recycling and waste services

Provide high quality street cleansing services, and tackle environmental crime (littering, fly tipping, graffiti) where it arises.

- Maintain customer satisfaction with street cleansing
- Undertake 6 neighbourhood blitzes with community involvement

Work with partners to help ensure the District remains a low crime area, reducing fear of crime, tackling Anti-Social Behaviour and focussing on safeguarding our residents and businesses.

- To develop an alternative CCTV operational system for our Urban centres
- Continue to work with the local police and licence holders to ensure our town centres remain safe and vibrant in the evenings

Reduce our carbon footprint and protect the natural environment.

- Deliver the Council's Biodiversity Action Plan "Protecting and Enhancing Cherwell's Natural Environment"
- Develop and begin Implementation of a new carbon management plan from 2015-20 which increases the energy efficiency of the organisation and lowers the carbon footprint

Cherwell: thriving communities

Deliver affordable housing and work with private sector landlords to help improve affordable housing options.

- Deliver 150 units of affordable housing and 100 self-build housing projects as part of the HCA funded Build! programme whilst exploring new diverse funding regimes for the longer term sustainability of affordable housing across the district. And the potential development of an off-site construction facility for the long term production of off-site units for affordable housing
- Extend the current enforcement action within the private sector to bring back into use empty dwellings, and improve the housing sector private stock. Encourage private sector landlords to improve their stock through targeted grant action and other housing advice.

Work with partners to support financial inclusion and help local people into paid employment.

- 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 people.
- 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.
- Extend Jobs Match service to support local companies to fill vacancies
- Extend the contract with CAB for debt advice, volunteering and volunteer driver scheme

Provide high quality housing options advice and support to prevent homelessness.

- Deliver the actions identified within the revised Homelessness prevention strategy adopted by the Council.

Work to provide and support health and wellbeing across the District.

- Support the work of the Community Partnership Network with financial, clinical and technological changes in the health and social care sector.
- Enable the development of volunteer transport schemes to support the health and wellbeing needs of vulnerable residents.

Cherwell: thriving communities

Provide high quality and accessible leisure opportunities.

- Maintain a minimum usage level of visits to leisure facilities
- Commence Phase 2 pavilion works for South West Bicester Sports Village
- Increase access to leisure and recreation opportunities through development and outreach work
- Procure new contract arrangements for Woodgreen Leisure Centre including new dry side facilities

Provide support to the voluntary and community sector.

- Secure social and community infrastructure for housing developments across the District
- Continue to support the voluntary sector and community groups
- Continue to support the growth & development of neighbourhood community associations
- Increase and promote volunteering opportunities throughout the District.
- Local Strategic Partnership

Protect our built heritage by supporting effective conservation, managing the impacts of growth and working to ensure development takes place in appropriate areas.

- Continue programme of Conservation Reviews
- Provide design guidance on major developments

Work to ensure rural areas are connected to local services.

- Work with BT/BDUK and Oxfordshire County Council to extend Superfast Broadband across the District
- “Rural Proof” significant new policies and initiatives to ensure they are equitable to rural residents

Cherwell: sound budgets and customer focused council

Reduce the cost of providing our services through partnerships, joint working and other service delivery models.

- Extend the joint working programme to include:
 - New methods of service delivery
 - More services delivered in partnership
- 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 on 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.
- Make successful bids for external funding
- Maximise income through designing services and implementing delivery vehicles that can attract a market
- Deploy solutions which reduce 'non-productive' time spent travelling between sites and deliver reductions in mileage and subsistence costs through increased use of technologies such as video conferencing.
- Review all ICT contracts to harmonise where possible to gain cost savings through economies of scale achieved through increased joint working.

Work to effectively communicate with local residents and businesses to better understand and respond to their needs

- Continue to increase our use of social media to communicate with residents and local businesses
- Continue to support the increased use of the Council website as a communications and transactional tool
- Continue to develop the Council's website and maintain the SOCITM rating of 3/ 4 stars
- Continue to develop our business focused communications

Cherwell: sound budgets and customer focused council

Improve customer service through the use of technology and responding to customer feedback.

- 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 self-services
- 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:
 - Improved information signposting
 - More information on-line
 - Improved letters and communications with clear, understandable instructions and information

Deliver rolling strategy of the five year business strategy, medium term financial plan and a capital programme that ensures the Council is resourced to deliver its strategic priorities.

- Deliver the rolling annual balanced budget setting of the financial plan (Medium Term Financial Strategy)
- Deliver the savings targets within the agreed timescales
- Develop and implement a Car parking strategy
- Continue the implementation of the programme of harmonisation of ICT business applications with our core partners; SNC and SDC.
- Insert appropriate working to reflect decision in relation to proposed new strategic governance operating model (subject to decisions of the 3 councils)

Work to ensure the Council gets the most out of its resources, including land and property through effective asset management.

- Develop and implement a commercial investment strategy, incorporating DTZ recommendations as adopted.

Deliver below inflation increases to the CDC element of Council Tax.

- CDC Council Tax element frozen for 2015/16

Section 3: Performance Pledges 2015-16

Every year from the key objectives and actions detailed across our strategic priorities several are highlighted as performance pledges. They are key activities that reflect local priorities and these pledges demonstrate our commitment to the delivery of important local services and new projects to help make Cherwell a great place to live. Our pledges are included within the council tax leaflet that goes to every household in the District; in every quarterly review of progress undertaken by the Council's Executive and in our annual report, published at the end of each financial year. For 2015/16 our pledges are:

Cherwell: a district of opportunity

- ➔ Make progress onsite for the initial housing development at North West Bicester.
- ➔ Progress work on North West Bicester exemplar site
- ➔ Make progress on site for the initial infrastructure at Graven Hill and promotion of the self-build plots
- ➔ Commission and complete a commercial appraisal for Banbury town centre, and subsequently bring forward appropriate redevelopment proposals for urgent consideration
- ➔ Complete and implement the Masterplan for Kidlington, helping to develop a strong village centre

Cherwell: safe, green, clean

- ➔ Maintain the District's high recycling rate
- ➔ Improve local residents' satisfaction with street and environmental cleanliness continuing our successful programme of neighbourhood litter blitzes
- ➔ Work with the local police and licence holders to ensure our town centres remain safe and vibrant in the evenings.

Cherwell: thriving communities

- ➔ 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.
- ➔ Deliver 150 units of affordable homes in the District and support opportunities for self-build and developing self-build skills.
- ➔ 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

- ➔ Deliver the savings target £500,000 within the agreed timescales.
- ➔ Continue to improve our website, and implement additional online services for customers
- ➔ Extend the Joint working Transformation Programme to enable the council to save money and maintain a low council tax.

Section 4: Getting in touch

Throughout the year the Council provides opportunities for local people to have their say. Whether this be through customer satisfaction surveys, budget consultation, consultation on new projects and services, talking to local business organisations or feedback via our link-points or web site we are keen to listen to what you like and what needs to be improved.

Since 2006 we have been consulting with citizens of Cherwell on an annual basis to seek views and ideas on overall satisfaction with the council and also many other areas. 2014 recorded the highest level of satisfaction since this survey began.

Our consultations are published on our one-stop consultation portal which can be found at:

<http://consult.cherwell.gov.uk/portal/>

However, if you would like to feedback about any other matter you can do so using the contact details below.

<p>Click</p> 	<p>Consultation inbox: consultation@cherwell-dc.gov.uk</p> <p>To find and email your ward councillor: http://modgov.cherwell.gov.uk/mgFindCouncillor.aspx</p>
<p>Call</p> 	<p>The Performance and Insight Team: 01295 221575</p> <p>Customer Services: 01295 227001</p>
<p>Write</p> 	<p>The Performance and Insight Team Bodicote House Bodicote Banbury Oxfordshire, OX15 4AA</p>

For general enquiries our contact details are via the web site www.cherwell.gov.uk or the customer service team 01295 227001.

Alternative formats

This document is available in alternative formats and languages, please contact 01295 227001:

Jeżeli chcieliby Państwo uzyskać informacje w innym języku lub w innym formacie, prosimy dać nam znać. 01295 227001

ਜੇ ਇਹ ਜਾਣਕਾਰੀ ਤੁਹਾਨੂੰ ਕਿਸੇ ਹੋਰ ਭਾਸ਼ਾ ਵਿਚ ਜਾਂ ਕਿਸੇ ਹੋਰ ਰੂਪ ਵਿਚ ਚਾਹੀਦੀ, ਤਾਂ ਇਹ ਸਾਥੋਂ ਮੰਗ ਲਓ। 01295 227001

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。01295 227001

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔
01295 227001



Cherwell District Council –
Business Plan 2015/16

April 2015



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DISTRICT COUNCIL
NORTH OXFORDSHIRE

Draft Pledges 2015/16

Summary:
14 Pledges

DRAFT

Section 3: Performance Pledges 2015/16

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Cherwell: thriving communities

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Cherwell: sound budgets and customer focused council

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- ➔ Extend the Joint working Transformation Programme to enable the council to save money and maintain a low council tax.

CHERWELL DISTRICT COUNCIL

Treasury Management Strategy

Minimum Revenue Provision Policy Statement and
Annual Investment Statement

2015-16

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.

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 (MRP) 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 (if applicable) – 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. However, 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 2015-16

The strategy for 2015-16 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 Solutions 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 2015/16 – 2017/18

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	2013/14 Actual	2014/15 Latest Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Total	7,451	32,204	27,377	1,625	90

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	2013/14 Actual	2014/15 Actual	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Total	7,451	32,204	27,377	1,625	90
Financed by:					
Capital receipts	-6,585	-26,469	-19,746	-580	-2,258
Capital grants	-539	-389	-457	-375	-375
Reserves funded through Revenue	-327	0	0	0	0
Donated asset Contribution	0	0	0	0	0
External Funding	0	0	-260	0	0
Net financing need for the year	0	5,346	6,914	670	-2,543

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 CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has £0 of such schemes within the CFR.

The Council is asked to approve the CFR projections below:

£'000	2013/14 Actual	2014/15 Latest Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate
Capital Financing Requirement					
Total CFR	-3,152	5,346	6,914	670	-2,543
Movement in CFR	0	8,498	1,567	-6,244	-3,213

Movement in CFR represented by					
Net financing need for the year (above)	0	8,498	1,567	-6,244	-3,213
Less MRP/VRP and other financing movements	0	0	0	0	0
Movement in CFR	0	8,498	1,567	-6,244	-3,213

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.

The Council has established a company to which it is providing loans on a commercial basis. The cash advances will be used by the company to fund capital expenditure and should therefore be treated as capital expenditure and a loan to a third party by the Council.

The Capital Financing Requirement (CFR) will increase by the amount of loans advanced and under the terms of contractual loan agreements are due to be returned in full by 2021, with interest paid as per the contract.

Once funds are returned to the Council, the returned funds are classed as a capital receipt, off-set against the CFR, which will reduce accordingly. As this is a temporary (7 year) arrangement and the funds will be returned in full, there is no need to set aside prudent provision to repay the debt liability in the interim period, so there is no MRP application. The outstanding loan/CFR position will be reviewed on an annual basis and if the likelihood of default increases, a prudent MRP policy will commence.

To ensure that any required changes to this approach can be addressed promptly and prudently the Council has adopted a policy providing delegated authority to the Service Director of Resources to defer the charging of MRP in accordance with the Prudential Code and current accounting regulations in the following circumstances:

- There is a separately identifiable project with quantified borrowing costs.
- The period from the projects inception to it becoming operational is significantly in excess of 12 months.
- A business case has been produced incorporating the deferred MRP and capitalised interest which demonstrates that the project is prudent and affordable over its whole life.
- The borrowing and MRP amounts are material, in excess of £250,000 annually.
- The deferred MRP and accumulated interest will be charged to the appropriate revenue account on a prudent basis, once the project is operational.

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.

%	2013/14 Actual %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %
Non-HRA	0	-1.22	-0.29	3.24	3.36

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

3 Borrowing

3.1 The council is currently debt free however the capital programme as detailed in section 2 demonstrates that capital resources 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	£50m	£50m	£50m
Other long term liabilities	£0	£0	£0	£0
Total	£15m	£50m	£50m	£50m

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	£55m	£55m	£55m
Other long term liabilities	£0	£0	£0	£0
Total	£20m	£55m	£55m	£55m

3.4 Prospects for interest rates

A more detailed interest rate view and economic commentary is at appendices 5.1 and 5.2 if required

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives their central view.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2015	0.50	2.20	3.40	3.40
Jun 2015	0.50	2.20	3.50	3.50
Sep 2015	0.50	2.30	3.70	3.70
Dec 2015	0.75	2.50	3.80	3.80
Mar 2016	0.75	2.60	4.00	4.00
Jun 2016	1.00	2.80	4.20	4.20
Sep 2016	1.00	2.90	4.30	4.30
Dec 2016	1.25	3.00	4.40	4.40
Mar 2017	1.25	3.20	4.50	4.50
Jun 2017	1.50	3.30	4.60	4.60
Sep 2017	1.75	3.40	4.70	4.70
Dec 2017	1.75	3.50	4.70	4.70
Mar 2018	2.00	3.60	4.80	4.80

UK GDP growth surged during 2013 and the first half of 2014. Since then it appears to have subsided somewhat but still remains strong by UK standards and is expected to continue likewise into 2015 and 2016. There needs to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting in order for this recovery to become more firmly established. One drag on the economy has been that wage inflation has only recently started to exceed CPI inflation, so enabling disposable income and living standards to start improving. The plunge in the price of oil brought CPI inflation down to a low of 1.0% in November, the lowest rate since September 2002. Inflation is expected to stay around or below 1.0% for the best part of a year; this will help improve consumer disposable income and so underpin economic growth during 2015. However, labour productivity needs to improve substantially to enable wage rates to increase and further support consumer disposable income and economic growth. In addition, the encouraging rate at which unemployment has been falling must eventually feed through into pressure for wage increases, though current views on the amount of hidden slack in the labour market probably means that this is unlikely to happen early in 2015.

The US, the biggest world economy, has generated stunning growth rates of 4.6% (annualised) in Q2 2014 and 5.0% in Q3. This is hugely promising for the outlook for strong growth going forwards and it very much looks as if the US is now firmly on the path of full recovery from the financial crisis of 2008. Consequently, it is now confidently expected that the US will be the first major western economy to start on central rate increases by mid 2015.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Greece: the general election on 25 January 2015 is likely to bring a political party to power which is anti EU and anti austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti austerity political parties throughout the EU is much more difficult to quantify;
- As for the Eurozone in general, concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014, and worries over the Ukraine situation, Middle East and Ebola, have led to a resurgence of those concerns as risks increase that it could be heading into deflation and prolonged very weak growth. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2015/16 and beyond;
- Borrowing interest rates have been volatile during 2014 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. The closing weeks of 2014 saw gilt yields dip to historically remarkably low levels after inflation plunged, a flight to quality from equities (especially in the oil sector), and from the debt and equities of oil producing emerging market countries, and an increase in the likelihood that the ECB will commence quantitative easing (purchase of EZ government debt) in early 2015. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

4. Annual Investment Strategy

4.1 Changes to credit rating methodology

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support.

More recently, in response to the evolving regulatory regime, the agencies have indicated they may remove these “uplifts”. This process may commence during 2014/15 and / or 2015/16. The actual timing of the changes is still subject to discussion, but this does mean immediate changes to the credit methodology are required.

It is important to stress that the rating agency changes do not reflect any changes in the underlying status of the institution or credit environment, merely the implied level of sovereign support that has been built into ratings through the financial crisis. The eventual removal of implied sovereign support will only take place when the regulatory and economic environments have ensured that financial institutions are much stronger and less prone to failure in a financial crisis.

Both Fitch and Moody’s provide “standalone” credit ratings for financial institutions. For Fitch, it is the Viability Rating, while Moody’s has the Financial Strength Rating. Due to the future removal of sovereign support from institution assessments, both agencies have suggested going forward that these will be in line with their respective Long Term ratings. As such, there is no point monitoring both Long Term and these “standalone” ratings.

Furthermore, Fitch has already begun assessing its Support ratings, with a clear expectation that these will be lowered to 5, which is defined as “A bank for which there is a possibility of external support, but it cannot be relied upon.” With all institutions likely to drop to these levels, there is little to no differentiation to be had by assessing Support ratings.

As a result of these rating agency changes, the credit element of our future methodology will focus solely on the Short and Long Term ratings of an institution. Rating Watch and Outlook information will continue to be assessed where it relates to these categories. This is the same process for Standard & Poor’s that we have always taken, but a change to the use of Fitch and Moody’s ratings. Furthermore, we will continue to utilise CDS prices as an overlay to ratings in our new methodology.

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.

Continuing regulatory changes in the banking sector are designed to see greater stability, lower risk and the removal of expectations of Government financial support should an institution fail. This withdrawal of implied sovereign support is anticipated to have an effect on ratings applied to institutions.

This will result in the key ratings used to monitor counterparties being the Short Term and Long Term ratings only. Viability, Financial Strength and Support Ratings previously applied will effectively become redundant. This change does not reflect deterioration in the credit environment but rather a change of method in response to regulatory changes.

Using the Capita Asset Services ratings service banks' and building societies' ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.

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

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

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

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

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

Additions to the Specified and Non-Specified Investments from 2015/16.

Secured Bonds:

These are bonds with banks and building societies where the investment is secured (covered) on the institution's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from 'bail-in'. Where the bond issue or collateral upon which the investment is secured has a credit rating, the highest of the issue/collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

Unsecured Corporate Bonds:

These will include loans, bonds and commercial paper issued by companies other than banks/building societies and registered providers.

These investments are not subject to bail-in, but are exposed to the risk of the company going insolvent. The credit assessment will be made through the credit rating of the bond and the bond issuer as well as other credit metrics such as credit default swaps of the corporate, if available.

Enhanced Money Market Funds and other Pooled Funds:

These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Pooled funds whose value changes with market prices are generally referred to variable net asset value [VNAV] funds) will be considered and evaluated for use for the proportion of the Authority's cash balances which are estimated to be available for longer than 1 year.

The returns from short-dated cash investments with counterparties meeting the Authority's credit criteria is expected to remain very low over the medium term. Enhanced money market funds and bond, equity income and property funds offer enhanced returns over the longer term than is available from short-dated cash investment, but are likely to be more volatile in the short term. These funds allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments.

Because these funds have no defined maturity date, but are available for withdrawal after a notice period (for example property funds may only have one withdrawal date per month or quarter), their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

Specified Investments: The CLG Guidance defines specified investments as those:

- denominated in pound sterling,
- due to be repaid within 12 months of arrangement,
- not defined as capital expenditure by legislation, and
- invested with one of:
 - the UK Government,
 - a UK local authority, parish council or community council, or
 - a body or investment scheme of "high credit quality".

The Authority defines "high credit quality" organisations and securities as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA- or higher. For money market funds and other pooled funds "high credit quality" is defined as those having a credit rating of [A-] or higher.

All other investments are defined as 'Non Specified'. This category includes investments in the 'BBB+' credit rating category, pooled funds without credit ratings and any investment that has a maturity longer than one year or which the Authority intends to hold for a period longer than one year.

Unsecured investments credit rated 'BBB+' will be made for shorter periods than unsecured investments with higher credit ratings.

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

Where applicable Money Limit and Time Limit applies to a Bank Group as a whole and not individual Banks within a Group	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

Capita Asset Services 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.

4.3 Country limits

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch. 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

4.4 Investment Strategy

With short term interest rates low for even longer, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock into higher rates of acceptable risk adjusted returns.

The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.

In order to diversify an investment portfolio largely invested in cash, investments will be placed with approved counterparties over a range of maturity periods. Maximum investment levels for each counterparty will be set to ensure prudent diversification is achieved.

Money Market Funds (MMFs) operating to a Constant Net Asset Value [CNAV] including Enhanced Money Market Funds (EMMFs) will be utilised but good treasury management practice prevails and whilst MMFs provide good diversification the Authority will also seek to mitigate operational risk by utilising more than one MMF.

The Authority will also restrict its exposure to Constant Net Asset Value MMFs with lower levels of funds under management and will not exceed 0.5% of the net asset value of the MMF, as these are funds that are used by investors for liquidity purposes and subject to a high volume of daily trading. In the case of Government MMFs, the Council will ensure exposure to each Fund does not exceed 2% of the net asset value of the Fund.

Investment 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 2 of 2015. Bank Rate forecasts for financial year ends (March) are:

- 2014-15 0.50%
- 2015/16 1.00%
- 2016/17 1.50%
- 2017/18 2.50%

There are downside risks to these forecasts (i.e. start of increases in Bank Rate occurs later) if economic growth weakens. However, should the pace of growth quicken, there could be an upside risk.

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	1.00%
2016/17	2.10%
2017/18	2.60%

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			
£m	2014-15	2015/16	2016/17
Principal sums invested > 364 days	£15m	£15m	£15m

For its cash flow generated balances, the Council will seek to utilise 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 2015-2018

PWLB rates and forecast shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Capita Asset Services Interest Rate View													
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.90%	1.10%	1.10%	1.30%	1.40%	1.50%	1.80%	1.90%	2.10%
6 Month LIBID	0.70%	0.70%	0.80%	1.00%	1.10%	1.20%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.30%
12 Month LIBID	0.90%	1.00%	1.10%	1.30%	1.40%	1.50%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.60%
5yr PW IB Rate	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
10yr PW IB Rate	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PW IB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
50yr PW IB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Bank Rate													
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	-	-	-	-	-
5yr PW IB Rate													
Capita Asset Services	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
Capital Economics	2.20%	2.50%	2.70%	3.00%	3.10%	3.20%	3.30%	3.40%	-	-	-	-	-
10yr PW IB Rate													
Capita Asset Services	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
Capital Economics	2.80%	3.05%	3.30%	3.55%	3.60%	3.65%	3.70%	3.80%	-	-	-	-	-
25yr PW IB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.25%	3.45%	3.65%	3.85%	3.95%	4.05%	4.15%	4.25%	-	-	-	-	-
50yr PW IB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.30%	3.50%	3.70%	3.90%	4.00%	4.10%	4.20%	4.30%	-	-	-	-	-
Please note – The current PWLB rates and forecast shown above have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012													

Appendix 2: Economic Background

UK. After strong UK GDP growth in 2013 at an annual rate of 2.7%, and then in 2014 0.7% in Q1, 0.9% in Q2 2014 (annual rate 3.2% in Q2), Q3 has seen growth fall back to 0.7% in the quarter and to an annual rate of 2.6%. It therefore appears that growth has eased since the surge in the first half of 2014 leading to a downward revision of forecasts for 2015 and 2016, albeit that growth will still remain strong by UK standards. For this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. This overall strong growth has resulted in unemployment falling much faster than expected. The MPC is now focusing on how quickly slack in the economy is being used up. It is also particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back significantly above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Unemployment is expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in wage growth at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

Also encouraging has been the sharp fall in inflation (CPI), reaching 1.0% in November 2014, the lowest rate since September 2002. Forward indications are that inflation is likely to remain around or under 1% for the best part of a year. The return to strong growth has helped lower forecasts for the increase in Government debt over the last year but monthly public sector deficit figures during 2014 have disappointed until November. The autumn statement, therefore, had to revise the speed with which the deficit is forecast to be eliminated.

Eurozone (EZ). The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In November 2014, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June and September 2014 to loosen monetary policy in order to promote growth. It now appears likely that the ECB will embark on full quantitative easing (purchase of EZ country sovereign debt) in early 2015.

Concern in financial markets for the Eurozone subsided considerably after the prolonged crisis during 2011-2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. The ECB's pledge in 2012 to buy unlimited amounts of bonds of countries which ask for a bailout 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 (2013 figures) of Greece 180%, Italy 133%, Portugal 129%, Ireland 124% and Cyprus 112%, remain a cause of concern, especially as some 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 likely to continue 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: the general election due to take place on 25 January 2015 is likely to bring a political party to power which is anti EU and anti-austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effect of the likely strengthening of anti EU and anti-austerity political parties throughout the EU is much more difficult to quantify. 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 which have high unemployment rates. There are also major concerns as to whether the governments of France and Italy will effectively implement austerity programmes and undertake overdue reforms to improve national competitiveness. These countries already have political parties with major electoral support for anti EU and anti-austerity policies. Any loss of market confidence in either of the two largest Eurozone economies after Germany would present a huge challenge to the resources of the ECB to defend their debt.

USA. The U.S. Federal Reserve ended its monthly asset purchases in October 2014. GDP growth rates (annualised) for Q2 and Q3 of 4.6% and 5.0% have been stunning and hold great promise for strong growth going forward. It is therefore confidently forecast that the first increase in the Fed. rate will occur by the middle of 2015.

China. Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has indicated a marginally lower outturn for 2014, which would be the lowest rate of growth for many years. There are also concerns that the Chinese leadership has only started to address an unbalanced economy which is heavily over 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 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. Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth to the extent that it has slipped back into recession in Q2 and Q3. The Japanese government already has the highest debt to GDP ratio in the world.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds.

The overall 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 eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis. There is an increased risk that Greece could end up leaving the Euro but if this happens, the EZ now has sufficient fire walls in place that a Greek exit would have little immediate direct impact on the rest of the EZ and the Euro. It is therefore

expected that there will be an overall managed, albeit painful and tortuous, resolution of any EZ debt crisis that may occur where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be weak at best for the next couple of years with some EZ countries experiencing low or negative growth, which will, over that time period, see an increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries, especially if growth disappoints and / or efforts to reduce government deficits fail to deliver the necessary reductions. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a sharp resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the larger countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK strong economic growth is weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.

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

- An adverse reaction by financial markets to the result of the UK general election in May 2015 and the economic and debt management policies adopted by the new government
- ECB either failing to carry through on recent statements that it will soon start quantitative easing (purchase of government debt) or severely disappointing financial markets with embarking on only a token programme of minimal purchases which are unlikely to have much impact, if any, on stimulating growth in the EZ.
- The commencement by the US Federal Reserve of increases in the central rate in 2015 causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities, leading to a sudden flight from bonds to equities.
- A surge in investor confidence that a return to robust world economic growth is imminent, causing a flow of funds out of bonds into equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

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

Where applicable limits are per Bank Group and not individual Banks within a Group	Minimum Credit Criteria	Use	Max £	Max. maturity period
UK part nationalised banks	Green	In-house	£15m	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 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

Collateralised deposit	UK sovereign rating	In-house and Fund Managers
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
Corporate Bonds – Secured (i.e. with collateral or other cover)	A	In house buy and hold and Fund Manager
Corporate Bonds - unsecured	AA-	In house buy and hold 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
3. Enhanced Money Market Funds	AA	In-house
4. Pooled Funds such those investing in sovereign bonds, corporate bonds, property funds, equity funds	AA-	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 40% will be held in aggregate in non-specified investment

Maturities of ANY period

Where applicable limits are per Bank Group and not individual Banks within a Group	* 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%	270 days
Commercial paper other	Short-term F1, Long-term A, Viability BB+	In- house and Fund Manager	15%	270 days
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

	* Minimum Credit Criteria	Use	Max % of fund	Max. maturity period
Bonds – Secured (i.e. with collateral or other cover)	Short-term F1, Long-term A, Viability BB+	In- house and Fund Manager	15%	2 years
Bonds – Unsecured	Short-term F1, Long-term AA-, Viability BB+	In- house and Fund Manager	15%	2 years
Term Deposits with Banks and Building Societies which meet the Specified Investments criteria	Purple	In- house and Fund Manager	15%	2 years
Term Deposits with Banks and Building Societies which fall in the Non- Specified Investments criteria	Green	In- house and Fund Manager	15%	100 days
Term Deposits with Local Authorities	-	In- house and Fund Manager	10%	2 years
Gilts	UK Sovereign rating	In- house and Fund Manager	25%	10 years
Bonds issued by multilateral development banks	Short-term F1, Long-term AA, Viability BB+	In- house and Fund Manager	15%	5 years
Money Market Funds (MMF) operating on Constant Net Asset Value (CNAV) basis if not credit rated – up to value of 10% of total investment portfolio per MMF	Short-term F1, Long-term AA+, Viability BB	In- house and Fund Manager	20%	-
Enhanced Money Market Funds - up to value of 10% of total investment portfolio per MMF	Short-term F1, Long-term AA+, Viability BB	In- house and Fund Manager	40%	-
Pooled Funds such those investing in sovereign bonds, corporate bonds, property funds, equity funds	Short-term F1, Long-term AA-, Viability BB+	In- house and Fund Manager	15%	2 years
Investment in Share Capital of a wholly owned and /or subsidiary company of the Council	Not applicable	In- house	Not applicable	Not applicable

Appendix 4: Approved countries for investments

Based on lowest available rating

AAA

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

AA+

- Finland
- Hong Kong
- Netherlands
- U.K.
- U.S.A.

AA

- Abu Dhabi (UAE)
- Belgium
- France

AA-

- 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 Poor's 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 2015-16

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 employing Council concerned will be given this opportunity.

Chief Officer is defined as all officers employed by either Council on or equivalent to 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 7 Heads of Service.

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

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

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

2. Determination of Pay Levels

Following a job evaluation and benchmarking exercise conducted under the HayGroup Job Evaluation Scheme ('Hay Scheme') in 2011, the Councils formally adopted a salary scale for Chief Officers. The 'Hay Scheme' is a systematic process for ranking jobs logically and fairly by comparing

job against job or against a pre-determined scale to determine the relative importance of jobs to an organisation. This Chief Officers' salary scale is published on the Councils' websites.

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

3. Determination of individual pay levels within grade

(a) On appointment

The Chief Executive is appointed to a spot salary of £127,513 per annum.

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

Director	
	£
DIR001	80,588
DIR002	83,138
DIR003	85,688
DIR004	88,239
DIR005	89,769

Head of Service	
HOS010	62,226
HOS011	63,246
HOS012	64,266
HOS013	65,286
HOS014	66,307
HOS015	67,327
HOS016	68,347
HOS017	69,367
HOS018	70,387
HOS019	71,407
HOS020	72,427
HOS021	73,447
HOS022	74,467

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/b/6/CDC_Statement_of_Accounts_2013_14_AARC_Final_Audited_Version_with_Audit_Opinion.pdf

<http://www.southnorthants.gov.uk/SNC-Statement-of-Accounts-2013-14.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 each Council, must be given.

5. Terms and conditions of employment

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

6. Remuneration of the lowest paid employees

(a) Cherwell District Council

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

The lowest paid employee is on Grade 1A of the pay scheme. The current rate of pay for this post is £14,822 per annum (including 1.85% pay award for 2015/16).

The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 4.36.

(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 £13,761 per annum (pay award from the 1 January 2015 to 31 March 2016 is 2.2%).

The pay multiple (that is the ratio between the highest paid earner and the average mean earnings of the whole workforce) is 4.56.

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 Officers are expected to work the number of hours required to properly perform their duties including out of hours and emergency cover. No additional allowances are paid in respect of these duties.

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

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Cherwell District Council

Business Rates Retail Relief Policy

1. Introduction

The Government announced in the Autumn Statement 2014 that it will provide relief of up to £1,500 to all occupied retail properties with a rateable value of £50,000 or less for 2015-2016. This is an increase from the £1,000 announced for 2014-2015.

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 for 2014-2015 and £1,500 for 2015-2016. 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

Policy on the extension of transitional relief for small and medium properties

1. Introduction

Section 69 of the Localism Act 2011 amends Section 47 of the Local Government Finance Act 1988 to enable billing authorities to grant relief in any circumstances. The Government has determined that the Council can use its discretionary powers under the Localism Act to grant transitional relief to ensure eligible properties receive the same level of protection they would have received had the transitional relief scheme extended into 2015-16 and 2016-17.

Guidance has been issued which provides the policy framework for the operation and delivery of this rate relief - the detail, however, regarding its implementation has been left to be determined by local authorities. This policy establishes transitional relief will be applied to businesses across Cherwell District within the framework established in the Government guidance.

2. Which properties will benefit from transitional relief?

Properties that will benefit are those with a rateable value up to and including £50,000 who would have received transitional relief in 2015-16 or 2016-17 had the existing transitional relief scheme continued in its current format. In line with the existing thresholds in the transitional relief scheme, the £50,000 rateable value threshold should be based on the rateable value shown for 1 April 2010 or the substituted day in the cases of splits and mergers.

This policy applies to transitional relief only (i.e. those moving to higher bills).

3. How much transitional relief will be available?

Eligible properties will receive the same level of protection they would have received had the transitional relief scheme extended into 2015-16 and 2016-17. The transitional relief scheme should be assumed to remain as it is in the current statutory scheme except that:

- a. the cap on increases for small properties (with a rateable value of less than £18,000) in both 2015-16 & 2016-17 should be assumed to be 15% (before the increase for the change in the multiplier), and
- b. the cap on increases for other properties (up to and including £50,000 rateable value) in both 2015-16 and 2016-17 should be assumed to be 25% (before the increase for the change in the multiplier)

The scheme applies only to properties up to and including £50,000 rateable value

based on the value shown for 1 April 2010 or the substituted day in the cases of splits and mergers. Changes in rateable value which take effect from a later date should be calculated using the normal rules in the transitional relief scheme. For the avoidance of doubt, properties whose rateable value is £50,000 or less on 1 April 2010 (or the day of merger), but increase above £50,000 from a later date will still be eligible for the relief. Where necessary the Valuation Office Agency will continue to issue certificates for the value at 31 March 2010 or 1 April 2010. The relief should be calculated on a daily basis.

4. Recalculations of relief

As with the current transitional relief scheme, the amount of relief awarded should be recalculated in the event of a change of circumstances. This could include, for example, a backdated change to the rateable value of the hereditament. This change of circumstances could arise during the year in question or during a later year.

The Non-Domestic Rating (Discretionary Relief) Regulations 1989 (S.I. 1989/1059) require authorities to provide ratepayers with at least one year's notice in writing before any decision to revoke or vary a decision so as to increase the amount the ratepayer has to pay takes effect. Such a revocation or variation of a decision can only take effect at the end of a financial year. Within these regulations, local authorities may still make decisions which are conditional upon eligibility criteria or rules for calculating relief which allow the amount of relief to be amended within the year to reflect changing circumstances.

When making an award for the extension of transitional relief we will ensure in the conditions of the award that the relief can be recalculated in the event of a change to the rating list for the property concerned (retrospective or otherwise). This is so that the relief can be re-calculated if the rateable value changes.

5. Claiming transitional relief

We will automatically award transitional 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.

6. 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. The extension of transitional relief is State Aid compliant where it is provided in accordance with 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.

7. How will transitional relief be awarded?

Relief awarded will be credited against the Business Rates Bill.

8. 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

23 February 2015

Calculating the amounts of Council Tax for 2015-2016 and setting the Council Tax for 2015-2016

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

This report is public

Purpose of report

To detail the Calculations for the amounts of Council Tax for 2015-16 and the setting of Council Tax for 2015-2016.

1.0 Recommendations

It is recommended that the Council resolves:-

- (1) That it be noted that at the Executive meeting held on 5 January 2015 the Council calculated the Council Tax Base 2015-16:
 - a) for the whole Council area as 48,253 [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.
- (2) That the Council Tax requirement for the Council's own purposes for 2015-16 (excluding Parish Precepts and Special Expenses) is £5,959,246.
- (3) That the following amounts be calculated for the year 2015-16 in accordance with Sections 31 to 36 of the Act:-
 - a) £70,480,648 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) £60,437,491 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the Act.

- c) £10,043,157 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) £208.14 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) £4,083,911 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;
- (4) It be noted that for the year 2015-16 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	821.64	109.13
B	958.58	127.32
C	1095.52	145.51
D	1232.46	163.70
E	1506.34	200.08
F	1780.22	236.46
G	2054.10	272.83
H	2464.92	327.40

- (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 2015-16 for each part of its area and for each of the categories of dwellings.
- (6) The Council's basic amount of Council Tax for 2015-16 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 2015-16 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 2 February 2015 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 £84.64. This compares to £82.54 in 2014-15, an increase of 1.7%.
- 3.5 The precept figures included for Police and Crime Commissioner for Thames Valley were approved on 30 January 2015 and the precept figures included for Oxfordshire County Council are subject to approval on 17 February 2015. 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 2015-16.

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 32 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 2 February 2015, 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	Paul Sutton, Head of Finance & Procurement
Contact Information	0300 0030106 paul.sutton@cherwellandsouthnorthants.gov.uk

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

2015/16	CALCULATIONS AT BAND D							TAX CALCULATED FOR EACH VALUATION BAND BY CHERWELL							
	Tax	PRECEPT	GRANT	PARISH	PARISH	2015/16	PARISH CHERWELL TOTAL TAX	VALUATION BAND AND APPROPRIATE PROPORTION							
	Base	PLUS grant		PRECEPT	NEEDS	NEEDS ALCALATED		6	7	8	9	11	13	15	18
	2015/16	2015/16	2015/16	2015/16	£	£		£	A	B	C	D	E	F	G
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£
Adderbury	1,139.3	42,262.83	1,489.83	40,773.00	35.79	123.50	159.29	106.19	123.89	141.59	159.29	194.69	230.09	265.48	318.58
Ambrosden	591.9	11,953.28	174.28	11,779.00	19.90	123.50	143.40	95.60	111.53	127.47	143.40	175.27	207.13	239.00	286.80
Ardley	253.8	12,450.00	380.31	12,069.69	47.56	123.50	171.06	114.04	133.05	152.05	171.06	209.07	247.09	285.10	342.12
Arccott	370.8	15,037.42	1,037.42	14,000.00	37.76	123.50	161.26	107.51	125.42	143.34	161.26	197.10	232.93	268.77	322.52
Banbury	12,962.7	1,799,450.19	223,396.19	1,576,054.00	121.58	123.50	245.08	163.39	190.62	217.85	245.08	299.54	354.00	408.47	490.16
Barford	256.8	7,528.32	28.32	7,500.00	29.21	123.50	152.71	101.81	118.77	135.74	152.71	186.65	220.58	254.52	305.42
Begbroke	357.1	26,584.26	72.44	26,511.82	74.24	123.50	197.74	131.83	153.80	175.77	197.74	241.68	285.62	329.57	395.48
Bicester	10,139.8	1,168,560.79	61,715.79	1,106,845.00	109.16	123.50	232.66	155.11	180.96	206.81	232.66	284.36	336.06	387.77	465.32
Blackthorn	142.9	11,524.16	299.16	11,225.00	78.55	123.50	202.05	134.70	157.15	179.60	202.05	246.95	291.85	336.75	404.10
Bletchington	338.1	19,031.34	1,031.34	18,000.00	53.24	123.50	176.74	117.83	137.46	157.10	176.74	216.02	255.29	294.57	353.48
Bloxham	1,352.7	65,186.28	1,084.28	64,102.00	47.39	123.50	170.89	113.93	132.91	151.90	170.89	208.87	246.84	284.82	341.78
Botolph	875.4	25,619.00	738.60	24,880.40	28.42	123.50	151.92	101.28	118.16	135.04	151.92	185.68	219.44	253.20	303.84
Boulton	297.0	10,548.82	274.41	10,274.41	34.59	123.50	158.09	105.39	122.96	140.52	158.09	193.22	228.35	263.48	316.18
Broughton	120.0	3,500.00	263.85	3,236.15	26.97	123.50	150.47	100.31	117.03	133.75	150.47	183.91	217.35	250.78	300.94
Bucknell	102.8	5,637.57	357.03	5,280.54	51.37	123.50	174.87	116.58	136.01	155.44	174.87	213.73	252.59	291.45	349.74
Caversfield	469.1	4,377.27	77.27	4,300.00	9.17	123.50	132.67	88.45	103.19	117.93	132.67	162.15	191.63	221.12	265.34
Charlton on Otmoor	194.7	5,844.97	94.97	5,750.00	29.53	123.50	153.03	102.02	119.02	136.03	153.03	187.04	221.04	255.05	306.06
Chesterton	345.6	15,591.57	591.57	15,000.00	43.40	123.50	166.90	111.27	129.81	148.36	166.90	203.99	241.08	278.17	333.80
Claydon	134.1	6,000.40	93.40	5,907.00	44.05	123.50	167.55	111.70	130.32	148.93	167.55	204.78	242.02	279.25	335.10
Cottisford	67.3	0.00	0.00	0.00	0.00	123.50	123.50	82.33	96.06	109.78	123.50	150.94	178.39	205.83	247.00
Cropredy	294.3	10,000.00	377.16	9,622.84	32.70	123.50	156.20	104.13	121.49	138.84	156.20	190.91	225.62	260.33	312.40
Deddington	899.6	35,431.00	1,745.54	33,685.46	37.44	123.50	160.94	107.29	125.18	143.06	160.94	196.70	232.47	268.23	321.88
Drayton	90.7	5,217.80	217.80	5,000.00	55.13	123.50	178.63	119.09	138.93	158.78	178.63	218.33	258.02	297.72	357.26
Duns Tew	232.4	12,832.62	304.62	12,528.00	53.91	123.50	177.41	118.27	137.99	157.70	177.41	216.83	256.26	295.68	354.82
Epwell	137.8	3,541.06	99.06	3,442.00	24.98	123.50	148.48	98.99	115.48	131.98	148.48	181.48	214.47	247.47	296.96
Fencot and Murcott	126.2	3,021.32	21.32	3,000.00	23.77	123.50	147.27	98.18	114.54	130.91	147.27	180.00	212.72	245.45	294.54
Finmere	214.2	7,500.00	0.00	7,500.00	35.01	123.50	158.51	105.67	123.29	140.90	158.51	193.73	228.96	264.18	317.02
Fringford	255.6	11,631.09	617.09	11,014.00	43.09	123.50	166.59	111.06	129.57	148.08	166.59	203.61	240.63	277.65	333.18
Fritwell	311.0	6,500.00	439.09	6,060.91	19.49	123.50	142.99	95.33	111.21	127.10	142.99	174.77	206.54	238.32	285.98

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

2015/16	CALCULATIONS AT BAND D							TAX CALCULATED FOR EACH VALUATION BAND BY CHERWELL							
	Tax	PRECEPT	GRANT	PARISH	PARISH	2015/16	2015/16 CHERWELL TOTAL TAX	VALUATION BAND AND APPROPRIATE PROPORTION							
	Base	PLUS grant		PRECEPT	NEEDS	NEEDS		6	7	8	9	11	13	15	18
	2015/16	2015/16	2015/16	2015/16	£	£		A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	
Godington	20.1	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	531.7	18,874.00	688.19	18,185.81	34.20	123.50	157.70	105.13	122.66	140.18	157.70	192.74	227.79	262.83	315.40
Hampton Gay and Poyle	74.3	2,262.95	12.95	2,250.00	30.28	123.50	153.78	102.52	119.61	136.69	153.78	187.95	222.13	256.30	307.56
Hanwell	121.9	6,278.58	278.58	6,000.00	49.22	123.50	172.72	115.15	134.34	153.53	172.72	211.10	249.48	287.87	345.44
Hardwick with Tusmore	37.4	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	106.6	3,958.27	358.27	3,600.00	33.77	123.50	157.27	104.85	122.32	139.80	157.27	192.22	227.17	262.12	314.54
Hook Norton	893.8	61,998.46	1,998.46	60,000.00	67.13	123.50	190.63	127.09	148.27	169.45	190.63	232.99	275.35	317.72	381.26
Horley	160.8	6,229.87	4.87	6,225.00	38.71	123.50	162.21	108.14	126.16	144.19	162.21	198.26	234.30	270.35	324.42
Hornton	159.3	9,000.00	151.33	8,848.67	55.55	123.50	179.05	119.37	139.26	159.16	179.05	218.84	258.63	298.42	358.10
Horton cum Studley	238.8	6,020.38	20.38	6,000.00	25.13	123.50	148.63	99.09	115.60	132.12	148.63	181.66	214.69	247.72	297.26
Islip	319.6	18,023.93	412.93	17,611.00	55.10	123.50	178.60	119.07	138.91	158.76	178.60	218.29	257.98	297.67	357.20
Kidlington	4,675.7	643,601.34	39,405.34	604,196.00	129.22	123.50	252.72	168.48	196.56	224.64	252.72	308.88	365.04	421.20	505.44
Kirlington	446.0	20,368.68	368.68	20,000.00	44.84	123.50	168.34	112.23	130.93	149.64	168.34	205.75	243.16	280.57	336.68
Lauerton	482.6	16,430.00	636.09	15,793.91	32.73	123.50	156.23	104.15	121.51	138.87	156.23	190.95	225.67	260.38	312.46
Lower Heyford	207.0	9,038.30	402.30	8,636.00	41.72	123.50	165.22	110.15	128.50	146.86	165.22	201.94	238.65	275.37	330.44
Melton	142.4	7,901.00	0.00	7,901.00	55.48	123.50	178.98	119.32	139.21	159.09	178.98	218.75	258.53	298.30	357.96
Middle Aston	65.3	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	144.3	2,691.09	91.09	2,600.00	18.02	123.50	141.52	94.35	110.07	125.80	141.52	172.97	204.42	235.87	283.04
Milcombe	236.8	11,166.83	466.83	10,700.00	45.19	123.50	168.69	112.46	131.20	149.95	168.69	206.18	243.66	281.15	337.38
Milton	120.0	87.90	17.90	70.00	0.58	123.50	124.08	82.72	96.51	110.29	124.08	151.65	179.23	206.80	248.16
Mixbury	113.6	142.00	0.00	142.00	1.25	123.50	124.75	83.17	97.03	110.89	124.75	152.47	180.19	207.92	249.50
Mollington	229.8	9,500.00	0.00	9,500.00	41.34	123.50	164.84	109.89	128.21	146.52	164.84	201.47	238.10	274.73	329.68
Newton Purcell	43.9	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	77.4	2,750.00	0.00	2,750.00	35.53	123.50	159.03	106.02	123.69	141.36	159.03	194.37	229.71	265.05	318.06
North Aston	91.9	620.71	20.71	600.00	6.53	123.50	130.03	86.69	101.13	115.58	130.03	158.93	187.82	216.72	260.06
North Newington	148.6	4,500.00	77.70	4,422.30	29.76	123.50	153.26	102.17	119.20	136.23	153.26	187.32	221.38	255.43	306.52
Oddington	65.8	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	167.8	8,000.02	261.02	7,739.00	46.12	123.50	169.62	113.08	131.93	150.77	169.62	207.31	245.01	282.70	339.24
Prescote	6.2	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	220.3	4,142.93	99.93	4,043.00	18.35	123.50	141.85	94.57	110.33	126.09	141.85	173.37	204.89	236.42	283.70
Shipton on Cherwell	143.0	4,250.00	174.42	4,075.58	28.50	123.50	152.00	101.33	118.22	135.11	152.00	185.78	219.56	253.33	304.00
Shutford	202.6	6,250.73	250.73	6,000.00	29.62	123.50	153.12	102.08	119.09	136.11	153.12	187.15	221.17	255.20	306.24
Sibford Ferris	190.6	6,904.24	46.24	6,858.00	35.98	123.50	159.48	106.32	124.04	141.76	159.48	194.92	230.36	265.80	318.96
Sibford Gower	244.0	6,399.49	192.49	6,207.00	25.44	123.50	148.94	99.29	115.84	132.39	148.94	182.04	215.14	248.23	297.88
Somerton	136.1	5,544.72	44.72	5,500.00	40.41	123.50	163.91	109.27	127.49	145.70	163.91	200.33	236.76	273.18	327.82

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

2015/16	CALCULATIONS AT BAND D							TAX CALCULATED FOR EACH VALUATION BAND BY CHERWELL							
	Tax Base	PRECEPT PLUS grant	GRANT	PARISH PRECEPT	PARISH NEEDS	2015/16 CHERWELL TOTAL TAX	VALUATION BAND AND APPROPRIATE PROPORTION								
	2015/16	2015/16	2015/16	2015/16	NEEDS	NEEDS CALCULATED	6 A	7 B	8 C	9 D	11 E	13 F	15 G	18 H	
Souldern	198.5	5,798.40	98.40	5,700.00	28.72	123.50	152.22	101.48	118.39	135.31	152.22	186.05	219.87	253.70	304.44
South Newington	151.1	6,000.00	157.13	5,842.87	38.67	123.50	162.17	108.11	126.13	144.15	162.17	198.21	234.25	270.28	324.34
Steeple Aston	416.1	23,663.61	696.61	22,967.00	55.20	123.50	178.70	119.13	138.99	158.84	178.70	218.41	258.12	297.83	357.40
Stoke Lyne	102.9	3,136.93	136.93	3,000.00	29.15	123.50	152.65	101.77	118.73	135.69	152.65	186.57	220.49	254.42	305.30
Stratton Audley	203.6	7,488.34	192.34	7,296.00	35.83	123.50	159.33	106.22	123.92	141.63	159.33	194.74	230.14	265.55	318.66
Swalcliffe	108.5	6,500.00	223.00	6,277.00	57.85	123.50	181.35	120.90	141.05	161.20	181.35	221.65	261.95	302.25	362.70
Tadmarton	248.8	8,000.00	232.20	7,767.80	31.22	123.50	154.72	103.15	120.34	137.53	154.72	189.10	223.48	257.87	309.44
Upper Heyford	372.2	17,463.74	1,272.74	16,191.00	43.50	123.50	167.00	111.33	129.89	148.44	167.00	204.11	241.22	278.33	334.00
Wardington	228.6	12,485.91	485.91	12,000.00	52.49	123.50	175.99	117.33	136.88	156.44	175.99	215.10	254.21	293.32	351.98
Wendlebury	187.5	4,240.00	128.69	4,111.31	21.93	123.50	145.43	96.95	113.11	129.27	145.43	177.75	210.07	242.38	290.86
Weston on the Green	243.8	9,100.00	342.16	8,757.84	35.92	123.50	159.42	106.28	123.99	141.71	159.42	194.85	230.27	265.70	318.84
Wiggington	118.5	3,138.40	138.40	3,000.00	25.32	123.50	148.82	99.21	115.75	132.28	148.82	181.89	214.96	248.03	297.64
Wropton	278.6	6,296.75	296.75	6,000.00	21.54	123.50	145.04	96.69	112.81	128.92	145.04	177.27	209.50	241.73	290.08
Yarnton	1,054.6	64,786.45	1,581.45	63,205.00	59.93	123.50	183.43	122.29	142.67	163.05	183.43	224.19	264.95	305.72	366.86
	48,253.0														
Total of special items		4,433,398.31	349,487.00	4,083,911.31			9,633.00								
Cherwell Net Expenditure				4,083,911.31											
BUDGET REQUIREMENT				4,083,911.31											
Less Extenal Support etc															
THE BASIC AMOUNT OF TAX				4,083,911.31	84.64										
Less Average Parish etc					(84.64)										
Cherwell DC needs				5,959,246	123.50										
Oxfordshire County Council Precept				59,469,892	Provisional										
Thames Valley Police Precept				7,899,016	Approved										
BASIC AMOUNT OF OXFORDSHIRE CC TAX				1,232.46											
BASIC AMOUNT OF THAMES VALLEY POLICE TAX				163.70											
TOTAL REQUIRED FROM TAX				71,452,819.79											
TAX AT BAND D (Exc Parishes)					1,519.66			1,013.10	1,181.96	1,350.81	1,519.66	1,857.36	2,195.07	2,532.76	3,039.32
TAX AT BAND D (Inc Parishes)					1,604.30										

Page 59

Appendix 1

2015/16	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	1,036.96	1,209.79	1,382.62	1,555.45	1,901.11	2,246.77	2,592.41	3,110.90
Ambrosden	1,026.37	1,197.43	1,368.50	1,539.56	1,881.69	2,223.81	2,565.93	3,079.12
Ardley	1,044.81	1,218.95	1,393.08	1,567.22	1,915.49	2,263.77	2,612.03	3,134.44
Arncott	1,038.28	1,211.32	1,384.37	1,557.42	1,903.52	2,249.61	2,595.70	3,114.84
Banbury	1,094.16	1,276.52	1,458.88	1,641.24	2,005.96	2,370.68	2,735.40	3,282.48
Barford	1,032.58	1,204.67	1,376.77	1,548.87	1,893.07	2,237.26	2,581.45	3,097.74
Begbroke	1,062.60	1,239.70	1,416.80	1,593.90	1,948.10	2,302.30	2,656.50	3,187.80
Bicester	1,085.88	1,266.86	1,447.84	1,628.82	1,990.78	2,352.74	2,714.70	3,257.64
Blackthorn	1,065.47	1,243.05	1,420.63	1,598.21	1,953.37	2,308.53	2,663.68	3,196.42
Bletchington	1,048.60	1,223.36	1,398.13	1,572.90	1,922.44	2,271.97	2,621.50	3,145.80
Bloxham	1,044.70	1,218.81	1,392.93	1,567.05	1,915.29	2,263.52	2,611.75	3,134.10
Bodicote	1,032.05	1,204.06	1,376.07	1,548.08	1,892.10	2,236.12	2,580.13	3,096.16
Bourton	1,036.16	1,208.86	1,381.55	1,554.25	1,899.64	2,245.03	2,590.41	3,108.50
Broughton	1,031.08	1,202.93	1,374.78	1,546.63	1,890.33	2,234.03	2,577.71	3,093.26
Bucknell	1,047.35	1,221.91	1,396.47	1,571.03	1,920.15	2,269.27	2,618.38	3,142.06
Caversfield	1,019.22	1,189.09	1,358.96	1,528.83	1,868.57	2,208.31	2,548.05	3,057.66
Charlton on Otmoor	1,032.79	1,204.92	1,377.06	1,549.19	1,893.46	2,237.72	2,581.98	3,098.38
Chesterton	1,042.04	1,215.71	1,389.39	1,563.06	1,910.41	2,257.76	2,605.10	3,126.12
Claydon	1,042.47	1,216.22	1,389.96	1,563.71	1,911.20	2,258.70	2,606.18	3,127.42
Cottisford	1,013.10	1,181.96	1,350.81	1,519.66	1,857.36	2,195.07	2,532.76	3,039.32
Cropredy	1,034.90	1,207.39	1,379.87	1,552.36	1,897.33	2,242.30	2,587.26	3,104.72
Deddington	1,038.06	1,211.08	1,384.09	1,557.10	1,903.12	2,249.15	2,595.16	3,114.20
Drayton	1,049.86	1,224.83	1,399.81	1,574.79	1,924.75	2,274.70	2,624.65	3,149.58
Duns Tew	1,049.04	1,223.89	1,398.73	1,573.57	1,923.25	2,272.94	2,622.61	3,147.14
Epwell	1,029.76	1,201.38	1,373.01	1,544.64	1,887.90	2,231.15	2,574.40	3,089.28
Fencott and Murcott	1,028.95	1,200.44	1,371.94	1,543.43	1,886.42	2,229.40	2,572.38	3,086.86
Finmere	1,036.44	1,209.19	1,381.93	1,554.67	1,900.15	2,245.64	2,591.11	3,109.34
Fringford	1,041.83	1,215.47	1,389.11	1,562.75	1,910.03	2,257.31	2,604.58	3,125.50
Fritwell	1,026.10	1,197.11	1,368.13	1,539.15	1,881.19	2,223.22	2,565.25	3,078.30
Godington	1,013.10	1,181.96	1,350.81	1,519.66	1,857.36	2,195.07	2,532.76	3,039.32
Gosford and Water Eaton	1,035.90	1,208.56	1,381.21	1,553.86	1,899.16	2,244.47	2,589.76	3,107.72
Hampton Gay and Poyle	1,033.29	1,205.51	1,377.72	1,549.94	1,894.37	2,238.81	2,583.23	3,099.88
Hanwell	1,045.92	1,220.24	1,394.56	1,568.88	1,917.52	2,266.16	2,614.80	3,137.76
Hardwick with Tusmore	1,013.10	1,181.96	1,350.81	1,519.66	1,857.36	2,195.07	2,532.76	3,039.32
Hethe	1,035.62	1,208.22	1,380.83	1,553.43	1,898.64	2,243.85	2,589.05	3,106.86
Hook Norton	1,057.86	1,234.17	1,410.48	1,586.79	1,939.41	2,292.03	2,644.65	3,173.58
Horley	1,038.91	1,212.06	1,385.22	1,558.37	1,904.68	2,250.98	2,597.28	3,116.74
Horton	1,050.14	1,225.16	1,400.19	1,575.21	1,925.26	2,275.31	2,625.35	3,150.42
Horton cum Studley	1,029.86	1,201.50	1,373.15	1,544.79	1,888.08	2,231.37	2,574.65	3,089.58
Islip	1,049.84	1,224.81	1,399.79	1,574.76	1,924.71	2,274.66	2,624.60	3,149.52
Kidlington	1,099.25	1,282.46	1,465.67	1,648.88	2,015.30	2,381.72	2,748.13	3,297.76
Kirtlington	1,043.00	1,216.83	1,390.67	1,564.50	1,912.17	2,259.84	2,607.50	3,129.00
Launton	1,034.92	1,207.41	1,379.90	1,552.39	1,897.37	2,242.35	2,587.31	3,104.78
Lower Heyford	1,040.92	1,214.40	1,387.89	1,561.38	1,908.36	2,255.33	2,602.30	3,122.76
Merton	1,050.09	1,225.11	1,400.12	1,575.14	1,925.17	2,275.21	2,625.23	3,150.28
Middle Aston	1,013.10	1,181.96	1,350.81	1,519.66	1,857.36	2,195.07	2,532.76	3,039.32
Middleton Stoney	1,025.12	1,195.97	1,366.83	1,537.68	1,879.39	2,221.10	2,562.80	3,075.36
Milcombe	1,043.23	1,217.10	1,390.98	1,564.85	1,912.60	2,260.34	2,608.08	3,129.70
Milton	1,013.49	1,182.41	1,351.32	1,520.24	1,858.07	2,195.91	2,533.73	3,040.48
Mixbury	1,013.94	1,182.93	1,351.92	1,520.91	1,858.89	2,196.87	2,534.85	3,041.82
Mollington	1,040.66	1,214.11	1,387.55	1,561.00	1,907.89	2,254.78	2,601.66	3,122.00
Newton Purcell	1,013.10	1,181.96	1,350.81	1,519.66	1,857.36	2,195.07	2,532.76	3,039.32
Noke	1,036.79	1,209.59	1,382.39	1,555.19	1,900.79	2,246.39	2,591.98	3,110.38
North Aston	1,017.46	1,187.03	1,356.61	1,526.19	1,865.35	2,204.50	2,543.65	3,052.38
North Newington	1,032.94	1,205.10	1,377.26	1,549.42	1,893.74	2,238.06	2,582.36	3,098.84
Oddington	1,013.10	1,181.96	1,350.81	1,519.66	1,857.36	2,195.07	2,532.76	3,039.32
Piddington	1,043.85	1,217.83	1,391.80	1,565.78	1,913.73	2,261.69	2,609.63	3,131.56
Prescote	1,013.10	1,181.96	1,350.81	1,519.66	1,857.36	2,195.07	2,532.76	3,039.32
Shenington	1,025.34	1,196.23	1,367.12	1,538.01	1,879.79	2,221.57	2,563.35	3,076.02
Shipton on Cherwell	1,032.10	1,204.12	1,376.14	1,548.16	1,892.20	2,236.24	2,580.26	3,096.32
Shutford	1,032.85	1,204.99	1,377.14	1,549.28	1,893.57	2,237.85	2,582.13	3,098.56
Sibford Ferris	1,037.09	1,209.94	1,382.79	1,555.64	1,901.34	2,247.04	2,592.73	3,111.28
Sibford Gower	1,030.06	1,201.74	1,373.42	1,545.10	1,888.46	2,231.82	2,575.16	3,090.20

Somerton	1,040.04	1,213.39	1,386.73	1,560.07	1,906.75	2,253.44	2,600.11	3,120.14
Souldern	1,032.25	1,204.29	1,376.34	1,548.38	1,892.47	2,236.55	2,580.63	3,096.76
South Newington	1,038.88	1,212.03	1,385.18	1,558.33	1,904.63	2,250.93	2,597.21	3,116.66
Steeple Aston	1,049.90	1,224.89	1,399.87	1,574.86	1,924.83	2,274.80	2,624.76	3,149.72
Stoke Lyne	1,032.54	1,204.63	1,376.72	1,548.81	1,892.99	2,237.17	2,581.35	3,097.62
Stratton Audley	1,036.99	1,209.82	1,382.66	1,555.49	1,901.16	2,246.82	2,592.48	3,110.98
Swalcliffe	1,051.67	1,226.95	1,402.23	1,577.51	1,928.07	2,278.63	2,629.18	3,155.02
Tadmarton	1,033.92	1,206.24	1,378.56	1,550.88	1,895.52	2,240.16	2,584.80	3,101.76
Upper Heyford	1,042.10	1,215.79	1,389.47	1,563.16	1,910.53	2,257.90	2,605.26	3,126.32
Wardington	1,048.10	1,222.78	1,397.47	1,572.15	1,921.52	2,270.89	2,620.25	3,144.30
Wendlebury	1,027.72	1,199.01	1,370.30	1,541.59	1,884.17	2,226.75	2,569.31	3,083.18
Weston on the Green	1,037.05	1,209.89	1,382.74	1,555.58	1,901.27	2,246.95	2,592.63	3,111.16
Wiggington	1,029.98	1,201.65	1,373.31	1,544.98	1,888.31	2,231.64	2,574.96	3,089.96
Wroxton	1,027.46	1,198.71	1,369.95	1,541.20	1,883.69	2,226.18	2,568.66	3,082.40
Yarnton	1,053.06	1,228.57	1,404.08	1,579.59	1,930.61	2,281.63	2,632.65	3,159.18

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Cherwell District Council

Council

23 February 2015

<p>Developing the approach to Joint Working and the Delivery of Local Authority Services Final Business Case</p>

Report of Chief Executive

This report is public

Appendix 2 (parts B and D) are exempt from publication by virtue of paragraph 3 of Schedule 12A of Local Government Act 1972

Purpose of report

This report presents the final business case for a shared service and/or confederated approach to joint working and the delivery of local authority services following consideration of the draft business case by Council on the 15 of December 2014 and a period of public consultation.

1.0 Recommendations

1.1 Following consideration by Council in December 2014 and a period of public consultation Members are recommended, subject to South Northamptonshire Council resolving in similar terms, to:

- 1) Note and consider the responses received to the public consultation exercise as outlined in section 3.2 of the final business case.
- 2) Agree to implement scenario 5 (as set out in the appended final business case), moving towards shared services in all service areas between Cherwell District and South Northamptonshire Councils. This option should be underpinned by a planned programme of change which should commence as soon as practicable in order to contribute towards the savings required by the councils' medium term financial strategies.

- 3) Subject to recommendation 2 being agreed to add to the Council's adopted policy framework the establishment of shared service or joint working arrangements in any service area (subject to the approval of service specific business cases via the executive arrangements and the necessary employee consultation).
- 4) Agree that the implementation costs associated with scenario 5 (as set out in part 3 of the appended business case) will be funded by general fund or earmarked reserves to be determined at year end by the Director of Resources in consultation with the Lead Member of for Financial Management at Cherwell District Council (CDC) and the Resources and Change Management Portfolio Holder at South Northamptonshire Council (SNC).
- 5) Agree the draft workforce development plan as set out in appendix 2b as a framework to support the implementation of joint working and a full organisational development strategy.
- 6) Agree the principles set out in appendix 2c, management arrangements, and request that the Chief Executive prepares a management structure for the future consideration of the Joint Commissioning Committee (subject to the approval of recommendation 8 below) to ensure the effective implementation of the transformation programme and on-going frontline service delivery.
- 7) Receive the additional technical information provided on the feasibility of alternative models of service delivery in appendix 2d and agree to move towards a 'confederation approach' (scenario 6) between Cherwell District and South Northamptonshire as founding councils. Any decisions to implement a confederation or alternative service delivery models will still be subject to specific business cases to be considered by Members. Development will be incremental and focused on business support services in the first instance.
- 8) Establish a Joint Commissioning Committee and Joint Scrutiny Committee (as set out in appendix 2e) and disestablish the current Joint Personnel Committee with effect from the annual council meeting on 19 May 2015 to enhance the governance arrangements associated with the implementation of scenarios 5 (two way joint working between CDC and SNC) and further development of scenario 6, including the opportunity for additional partners to join the governance arrangements if appropriate.
- 9) Commence staff and trade union consultation on the proposal to establish a Joint Councils Employee Engagement Committee (as set out in appendix 2e) with effect from the annual council meeting on 19 May 2015 to replace the current separate Cherwell and South Northamptonshire Committees.
- 10) Authorise the Head of Law and Governance to amend the constitution and complete a deed of variation to the Section 113 agreement with South

Northamptonshire Council in order to facilitate the governance changes as set out in this report.

11) Continue to develop opportunities to extend the collaborative partnership to include like-minded councils and organisations to explore opportunities for shared services, collaboration and the commissioning of alternative service delivery models.

2.0 Introduction

- 2.1 At their meeting in July 2014 JASG requested that a draft business case was prepared to outline potential high level savings associated with the delivery of three way joint working and /or a confederation. This followed the completion of a full legal and governance review of options to underpin joint working. In addition to the legal and governance work a financial implications/viability summary was also completed by KPMG.
- 2.2 This work has been overseen by the Transformation Joint Working Group (with updates to JASG in July and October.) On 27 November JASG endorsed the approach outlined in the draft business case and recommended that the three councils' Executive and Cabinet committees review the proposals prior to consideration by full Council.
- 2.3 The work has been funded by the Transformation Challenge Award TCA (granted in December 2013) which was subsequently augmented by a further two successful bids to support ICT harmonisation and the implementation of a new financial management system. On 28 November 2014 it was announced that the three councils (in a bid led by South Northamptonshire) had successfully been granted a further £900,000 to implement the transformation programme.
- 2.4 The findings from the legal review and financial viability clearly show that the councils have within their powers the ability to establish confederated governance and that using this model there is potential to trade and/or work with additional partners.
- 2.5 The draft business case containing options for three way joint working was considered at the Council meetings of Cherwell (CDC), South Northamptonshire (SNC) and Stratford-on-Avon District Councils (SDC) in December 2014.
- 2.6 At the council meetings in December 2014 CDC and SNC adopted an 'in principle' commitment to explore joint working using both shared services and potentially developing alternative models of service delivery (such as council owned companies) in a confederation approach that would enable additional partners to work in collaboration.

- 2.7 At their meeting in December Stratford-on-Avon District Council adopted an 'in principle' commitment to explore joint working through shared services. SDC has not set out a decision making timeframe for the final business case nor taken any decisions regarding the confederation model. As such, this final business case outlines a way forward to deliver savings through shared services and continuing to develop the confederation approach on a two way basis. The minutes (draft) from each of the three Council meetings are presented in appendix 3 showing the different resolutions made.
- 2.8 Following the December council meetings, a full public consultation has taken place on the draft business case. Results from the consultation are contained in section 3.2 of the final business case.
- 2.9 As requested by Council the additional information required to develop the confederation model has been commissioned. This information is presented in detail in the appendices and referred to as part of the options appraisal in part 2 of this business case.
- 2.10 Taking account of the SDC council decision in December, work has been completed to ensure that the scenarios and approaches contained within this final business case deliver savings for CDC and SNC during 2015/16 and can be extended to include Stratford-on-Avon Council (indeed the principles outlined could be extended to include any other interested party at a later date).

3.0 Report Details

3.1 Business Case Outputs

- 3.1.1 The final business case (appendix 1) presents a financial case for pursuing a broad shared service and/or confederated approach to joint working, the strategic case was fully outlined in the draft business case received by Council in December 2014.
- 3.1.2 In December 2014 the draft business case reviewed 4 scenarios which compared savings achievable on the basis of scope of collaboration (i.e. which services to consider a potential areas for joint working) and governance arrangements (i.e. shared service or a confederation approach). At the full Council meeting in December 2014 Scenarios 1 (shared service approach – support services/back office only) and 3 (confederation approach – support services/back office only) were discounted as they did not deliver the magnitude of savings required by the councils' medium term financial strategies.
- 3.1.3 In the final business case (presented as appendix 1 to this paper) scenarios 2 and 4 remain and an additional two scenarios are presented. These additional scenarios present joint working opportunities between Cherwell District and South Northamptonshire Councils which can deliver savings during 2015/16 and have

been developed within the context of Stratford-on-Avon District Council considering the viability of confederation approach after the election.

- 3.1.4 As such the final business case presents four options to deliver savings through joint working. Scenarios 2 and 4 are as set out in the draft business case in December 2014 and the new options of scenarios 5 and 6; scenarios 5 and 6 set out savings which can be achieved using similar assumptions for joint working and/or a confederation with two councils (CDC and SNC) as founding partners.
- 3.1.5 The financial assumptions are prudent and based on the levels and types of savings generally realised in joint working arrangements, i.e. management savings, ICT, business systems, procurement savings and some staffing reductions realised as economies of scale are generated. These savings are included in all 4 scenarios.
- 3.1.6 The savings associated with confederated governance (scenarios 4 and 6) also include workforce savings that can be realised over the medium to long term as new starters in any council owned company may be employed on private sector terms and conditions which may reduce the costs of pension contributions significantly. In this scenario any existing staff moved to the company would be transferred on their current terms and conditions under TUPE.

3.2 Options Appraisal

- 3.2.1 Scenario 2, a three way shared service approach with all services in scope was outlined in the draft business case in December 2014 and agreed as an 'in-principle approach' across the three Councils. However, the recommendations adopted by Stratford-on-Avon District Council at their meeting in December mean that at this stage scenario 2 cannot be progressed at this stage. This is because if CDC and SNC commit to further developing the confederation approach SDC would need to commit in similar terms to ensure that there are shared strategic objectives across the partnership. Likewise, scenario 4, a three way confederation approach with all services in scope, was outlined in the draft business case in December 2014. Again, as this is a three way proposal it cannot be progressed until SDC complete the democratic process.
- 3.2.2 Given the realities of the medium term financial strategy and the request by Council in December 2014 to prepare a final business case to realise savings through joint working a further two scenarios (referred to in the business case as scenarios 5 and 6) have been prepared and savings modelled by the Director of Resources. These scenarios are set out in the following paragraphs. They are based on two way working (with the opportunity to extend to include additional partners) to ensure savings can be realised during 2015/16.
- 3.2.3 Scenario 5, a two way shared service approach between CDC and SNC with all services in scope is outlined in the final business case. This scenario would accelerate the pace of joint working across the two councils and necessitate a

significant programme of change and organisational development to realise the benefits. In addition enhanced governance arrangements (see part 4 of the final business case) would be required to ensure the complexity of joint working in frontline services is effectively managed. The delivery of the programme of transformation and realisation of financial benefits associated with scenario 5 will require some transitional management arrangements to ensure that there is enough capacity to deliver the programme whilst sustaining frontline service delivery performance.

- 3.2.4 Scenario 6, a two way confederation approach between CDC and SNC with all services in scope is outlined in the final business case. This scenario provides further savings and governance benefits on a two way basis. The particular benefit is the ability to extend the model to include additional partners and the ability to generate income. The legal and risk analysis undertaken on this model clearly shows that any move towards a confederation should be incremental and subject to Members adopting business cases on a service by service basis. As such it is appropriate to consider scenario 6 as a potential medium term development of scenario 5.

3.3 The Democratic Process and Programme Governance

- 3.3.1 If Members agree the recommendations as set out in this report the existing Joint Personnel Committee should be disestablished and new governance arrangements put in place to oversee joint working between CDC and SNC. The Member led Transformation Joint Working Group will continue to act as the Programme Board for the on-going oversight of the Transformation Programme including the workstreams on shared services and the development of the confederation approach.
- 3.3.2 It should be noted that the legal and financial advice commissioned as part of this work and the councils' own risk assessment, strongly suggests an incremental approach to implementation with any services to be considered for operation within a potential future confederation being subject to individual business cases setting out the costs and benefits. Staff and service users subject to any change as a result of these specific business cases would be consulted as part of a formal change process. Members would make the final decisions on which business cases should be developed and implemented within a shared service or confederation approach within the governance arrangements outlined below. .
- 3.3.3 The adoption of the establishment of shared service and joint working arrangements as part of the Council's policy framework and the creation of a new Joint Commissioning Committee will enable governance arrangements to be streamlined. The two way Joint Arrangements Steering Group (known as JASG) may continue to meet on a less frequent basis to undertake developmental or strategy work, or alternatively this could also be undertaken by an informal meeting of the Joint Committee.

- 3.3.4 The three way Joint Arrangements Steering Group will meet as required and subject to business items. This group remains informal and non-decision making and as such may be expanded to include additional partners if required.

4.0 Conclusion and Reasons for Recommendations

- 4.1 This report provides an overview of the work completed to date to prepare a business case for a confederation approach to joint working as requested by JASG at their meeting in July 2014.
- 4.2 The legal and financial viability studies show that as well as shared working councils have the powers to establish a confederated approach and that any move in this direction should be undertaken incrementally with services considered on a business case by business case basis over the medium term. The additional legal and financial advice commissioned as a result of the draft business case (and attached as appendix 2d) supports the case for continuing to progress a confederation model of working to facilitate greater savings through collaboration.
- 4.3 The medium term revenue plans for each of the two councils show significant deficits which will not be closed with the current level of joint working. As such there is a clear financial imperative to pursue options to reduce this gap including additional joint working as well as activities such as service efficiency and income generation. Each of the scenarios explored in the business case show clear potential to narrow this gap. Scenario 5 provides an option to begin delivering savings through joint working during the course of 2015/16 and scenario 6 outlines the potential to develop a longer term approach to collaborative working which may be extended to include further partners, thereby accessing greater levels of savings.

5.0 Consultation

- 5.1 Transformation Joint Working Group has overseen the development of the business case as part of their work programme during the course of 2014; this has included scope, legal and financial implications. All Members have been invited to attend briefings outlining a potential confederation approach (July 2014) and the papers for the JASG meeting were circulated to Members across all three councils.
- 5.2 As agreed by CDC and SNC Councils in December the draft business case has been subject to a public consultation exercise between the 18th December 2014 and the 6th February 2015. A similar consultation has been undertaken at SDC based on their decision to support scenario 2 in principle. The draft business case and its non-exempt appendices have been published on the councils' consultation webpages with a questionnaire inviting comments on any element of the business case or any alternative suggestions for the delivery of savings not considered as part of the business case.

- 5.3 The consultation was published via the press and key stakeholders were informed that the consultation was underway. The Chief Executives have met with the regional union representatives and invited comments from them as part of the consultation. Staff were also been invited to respond to the consultation.
- 5.4 The consultation has used open questions, inviting feedback on any element of the business case or alternative proposals to ensure respondents have every opportunity to make their views known.
- 5.5 It should also be noted that the implementation of specific shared services or confederation approaches will still be subject to a detailed business case and employee consultation as set out in the councils' organisational change policy. Where there is any impact on service users further consultation and an equality impact assessment may be required and will be undertaken as appropriate.

6.0 Alternative Options and Reasons for Rejection

- 6.1 Alternative options have been identified and rejected for the reasons as set out below.
- 6.1.1 The business case and its appendices outline the rationale for joint working and/or a confederation approach by presenting financial scenarios as options for joint working. In addition the draft business case (considered by Council in December) also outlines a series of alternative options for meeting the medium term financial deficit (set out in a SWOT analysis in Appendix B to the Draft Business Case December 2014).
- 6.1.2 These alternative options are not preferred as it is believed they do not deliver the same level of savings, retained sovereignty and control of local service delivery as the scenarios presented in the business case.

7.0 Implications

Financial and Resource Implications

- 7.1 The financial implications associated with this proposal are outlined in detail in the business case. The proposals will contribute to the delivery of the medium term financial strategy and implementation costs are also set out. Any implementation costs will be covered within the life of the medium term financial strategy.

Comments checked by:

Martin Henry, Director of Resources, Cherwell and South Northants Councils,
0300 0030102, martin.henry@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 The legal implications associated with these proposals are set out within the business case. Implementation of scenario 5 will be supported by the establishment of a joint committee. External legal advice has been commissioned to develop the confederation model. If Members are minded to implement a confederation approach (scenario 6) in the medium term further legal advice will be commissioned to complete the governance framework as the programme progresses.

It is important that members take note of the responses to the public consultation process before determining whether or not to approve the recommendations.

Comments checked by:

Kevin Lane, Head of Law and Governance, Cherwell and South Northants Councils, 0300 0030107, kevin.lane@cherwellandsouthnorthants.gov.uk

Risk Implications

- 7.3 There is risk associated with any major change programme but the two councils have a proven track record of successfully delivering major change programmes over a number of years.
- 7.4 There is a risk associated with the savings quoted in scenario 6. This relates to a Government consultation that recently closed on the Local Government Pension Scheme.
- 7.5 Within that consultation exercise was a proposal that allows any member of staff of a council wholly owned company to have access to the Local Government Pension Scheme. This may mean that the pension savings referred to in option 6 may not be delivered. At the time of writing it is not clear whether this will apply at all, only to wholly owned council companies or to other corporate vehicles. Other savings associated with this approach (e.g. management savings, productivity, efficiency) would be unaffected.
- 7.6 However, it does not stop the development of scenario 5 (two way shared services – all services) and the savings associated with this option being harvested. The report makes clear that option 5 is a stepping stone to scenario 6 and this can be progressed regardless, and indeed ahead of, of any changes to the pension regulations without there be any impact on the overall programme or the savings associated with scenario 5.

Comments checked by:

Martin Henry, Director of Resources, Cherwell and South Northants Councils, 0300 0030102, martin.henry@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

Links to all themes within the councils' corporate plans/strategies.

Document Information

Appendix No	Title
1	Final Business Case for A Confederated Approach to Joint Working and the Delivery of Local Authority Services
2	Business Case Appendix Pack A. Confederation model description B. Draft Work Force Development Plan - high level capability and competency assessment EXEMPT C. Management arrangements D. Technical note on the operation of the potential confederation EXEMPT E. Joint Committee – Terms of Reference F. Glossary of terms
3	Draft Minutes from CDC, SNC and SDC Councils.
Background Papers	
None	
Report Author	Claire Taylor- Business Transformation Manager
Contact Information	claire.taylor@cherwellandsouthnorthants.gov.uk Tel: 0300 0030113



Developing the Approach to Joint Working and the Delivery of Local Authority Services

Final Business Case

February 2015

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Contents

	<i>Page Number</i>
Foreword	4-5
Executive Summary	6-8
PART 1: BACKGROUND AND CONTEXT	9
1 Introduction	9-11
2 Financial and Strategic Context	11-12
3 Summary of Consultation Findings	12-13
PART 2: OPTIONS APPRAISAL	14
4 Overview of Options	14-15
5 Joint Working / Shared Service Options	15-17
6 Alternative Service Delivery / Confederation Options	17-20
PART 3: ANTICIPATED BENEFITS	21
7 Overview of Scenarios and Anticipated Benefits	21-24
8 Analysis of Scenarios and Anticipated Benefits	24-32
PART 4: GOVERNANCE AND IMPLEMENTATION	33
9 Governance Requirements	33
10 Arrangements for Implementation	33-36
PART 5: CONCLUSION	37
11 Conclusion	37-38

Change History

Issue	Date	Comments
1.0	12/01/15	Document opened – contents page drafted
1.1	22/01/15	Part 1 sections 1 and 2 drafted
1.2	28/01/15	Final draft (not consultation)
1.3	28/01/15	Draft to CEO & leaders
1.4	30/01/05	Amendments
1.5	10/02/15	Post consultation and transformation Joint Working Group amendments
1.6	11/02/15	Final amendments

List of Tables and Figures

<i>Table</i>	<i>Page Number</i>
Table 1: Summary of joint working scenarios presented in the draft business case to Council in December 2014 (all three way options)	14
Table 2: Summary of joint working scenarios presented in the final business case (February 2015)	15
Table 3: Assumptions underpinning cost modelling	21
Table 4: Indicative level of savings for each Council (10 Years)	23
Table 5: Summary of savings associated with each scenario	24
Table 6: Summary of estimated savings	25
Table 7: Implementation costs	27
Table 8: Split of implementation costs	28
Table 9: Return on Investment and Payback Period	28-30
Table 10: Summary of Estimated Payback Period	30
Table 11: Medium Term Revenue Plan Deficit Forecast by Scenario	31
Table 12: Transformation Programme Workstreams Scenario 5 (and 6)	33-35

<i>Figure</i>	<i>Page Number</i>
Figure 1: Stratford-on-Avon Council Minutes 15/12/14	10
Figure 2: A Mixed Economy Model for Service Delivery	19
Figure 3: Estimated Payback period (Years)	30

List of Appendices

- A. Confederation model description
- B. Draft Work Force Development Plan - high level capability and competency assessment
- C. Management Principles and Requirements
- D. Technical note on the operation of the potential confederation
- E. Draft Joint Committee – Terms of Reference
- F. Glossary of terms

Foreword

The public sector is facing a period of financial and service delivery challenge. Whilst funding is decreasing, demand for public services is rising. Large increases are forecast in the number of people who require often intensive support, such as young children and the very old. Residents also expect that the quality of service they receive from the public sector keeps pace with that available from commercial organisations.

As a result local government is rapidly changing and it is expected to reform at an accelerated pace after the next General Election with all parties set to bring forward proposals for changing the structure, role and purpose of the public sector.

The budget deficits are now well known and to do nothing is no longer an option. Local authorities need to look at alternative ways of working if they are to evolve and meet the following challenges:

- The changing needs of our local populations
- The challenges an aging population presents
- New technology in the provision of services
- The need to manage growth, both housing and employment, whilst preserving what is special in each district

This final business case incorporates additional financial and legal advice as well as findings from the recent public consultation we undertook on the draft business case. It sets out proposals for us to continue to be local sovereign councils that are:

- Forward looking by planning for economic, social and environmental changes
- Able to play a clear community leadership role across the public sector, whilst being transparent, accountable and engaged with local communities and local stakeholders
- Flexible and able to adapt to changing circumstances
- Providing high quality services
- Ensuring we remain an active, influential partner
- Smaller organisations that can 'do more with less'
- Imaginative and creative
- Capable of generating new sources of income to control our own destiny.

By looking at how best to combine our services through sharing our back office, jointly commissioning and procuring and exploring new ways of jointly delivering services we aim to make sure that each Council can continue to provide high quality and efficient services which meet the needs of local residents and businesses over the next 10 to 15 years.

Our business case explores how best to reduce costs, while retaining the quality of services, which in many cases means changing the way in which that service is delivered. We are seeking the best solution for the needs and requirements of the users of each service. At the same time, we recognise that services need to transform to reflect changes in residents'

needs and attitudes. At the heart of the business plan is the aim to become truly citizen-centric councils.

The options for managed change in this paper are a positive and innovative response to the opportunities and challenges that confront us. They aim to ensure as councils we survive and prosper through the times ahead. Simply trying to maintain the status quo is no longer an option.

Collaboration is increasingly being seen by central government as something to encourage as it is locally driven and able to respond to identified local needs. New delivery models have become available which enable us to move beyond the structures in place since the reform of Local Government in 1974.

The option of forming a confederation of like-minded councils provides an opportunity for us to build resilience, secure continued solvency and maintain our local service delivery. The various approaches can be done all at once or evolve as circumstances dictate. This business case offers us options to begin to address the challenges that lie ahead whilst we continue to develop joint working and deliver high quality and value for money local services.

Councillor Mary Clarke

Leader of South
Northamptonshire Council

Councillor Barry Wood

Leader of Cherwell
District Council

EXECUTIVE SUMMARY

1. Introduction

- 1.1 This document outlines options for extending joint working across Cherwell District and South Northamptonshire Councils and continuing to develop new ways of delivering services to local residents and business by transforming the way we do business.
- 1.2 It sets out an approach to governance arrangements that can be developed over the medium term that should ensure a wide range of options for service delivery can be considered within a collaborative partnership of a number of Councils. These options will include various forms of shared services and potentially the use of alternative models of service delivery such as local authority owned companies, Joint Ventures or Employee Mutuals.
- 1.3 These governance arrangements are referred to as a 'confederated approach'. In essence the approach provides an opportunity to use company structures (owned by the partner Councils) for the delivery of services. Within these governance arrangements the Councils remain sovereign bodies able to commission services as specified by elected Members and the companies will be able to supply those services without lengthy tendering processes having to be undertaken by the Councils using what is known as the Teckal exemption. These companies will also be able to trade and generate income which can be used to reduce the costs of service delivery to the partnership or founding councils, this additional trading may only make up a limited amount of turnover (up to 20%) within the Teckal exception. If in the longer term any organisations set up by the councils traded more than 20% of turnover beyond the founding councils, normal contractual and procurement rules would apply.
- 1.4 The draft business case (considered by Council in December 2014) outlines both the financial and strategic rationale behind these proposals and identifies a series of national policy drivers which have informed the development of this case. This final business case reports back on the consultation undertaken after the Council considered the draft business case and presents options to broaden the scope and pace of collaborative working to deliver savings during 2015/16.
- 1.5 Following the Council meetings in December which agreed an 'in principle' commitment to broadening the scope of current joint arrangements (i.e. including all services within scope for potential shared services) and also the commitment to explore the confederation approach in more detail, this document sets out the case to implement these 'in principle' commitments.
- 1.6 The opportunity to broaden the scope of current joint working arrangements and explore the use of a confederation approach represents an innovative and positive response to unprecedented financial constraint. Whilst the confederation model is cutting edge within the sector it is based on sound and well-trodden experiences across local government, and predicated on an incremental development of well proven shared service delivery. Indeed both Cherwell District and South Northamptonshire Councils already use, or have experience of, a variety of alternative service delivery arrangements such as trusts, council owned companies and outsourcing. What makes this approach different is the ability to jointly

commission alternative service delivery arrangements, to co-ordinate the approach across a wider range of partners, access greater economies of scale and have the flexibility to bring on additional partners if desired. It should also be noted that other partnerships of district councils are currently exploring similar approaches, most notably colleagues in West Oxfordshire, the Cotswolds, Forest of Dean and Cheltenham Councils.

2. Background and Context

- 2.1 In early 2014 the Joint Arrangements Steering Group received the findings from a review they commissioned to explore the best governance arrangements for collaborative working within a three way environment. This review identified a number of constraints associated with traditional top down shared service arrangements (i.e. joint management followed by a joint workforce), particularly in terms of the ability to realise significant financial benefits without reducing strategic capacity, and as a result commissioned a study to consider alternative governance arrangements to get the most out of collaborative working.
- 2.2 This business case is the result of this extensive study which has included a full overview of legal and risk considerations, financial scenario mapping, a survey of success factors in similar models across the sector and a consideration of national policy drivers' strongly encouraging district councils to collaborate. The development of this business case has been overseen by the Transformation Joint Working Group and the Joint Arrangements Steering Group both comprising of Members of both CDC and SNC.
- 2.3 This final business case presents options for broadening the scope of joint working across CDC and SNC to maximise the savings and benefits available. At this time the options relate to Cherwell District and South Northamptonshire Councils and not Stratford on Avon as the Council has not yet made a decision on their policy position with regards to alternative models of service delivery (i.e. the Confederation approach) or the timetable by which they wish to progress the options relating to joint working, the context and rationale for this position is outlined within section 2 of this document.

3. Options

- 3.1 As part of the development of the draft business case (reviewed by Councils in December 2014) a number of alternative options were explored. This review was broad in nature and many of the approaches can still be used within the overarching confederation framework. For example within the confederation the councils may decide to jointly outsource a service. What this section does identify is that reliance on either the status quo or awaiting some form of whole scale national or regional reorganisation is unlikely to meet the deficit identified in the medium term financial strategies of the councils.
- 3.2 Scenario planning has been completed as part of this financial case with four scenarios or models assessed. These compare potential benefits by contrasting in two ways: comparing shared service approaches with confederation approaches i.e. the use of council owned service delivery companies; and comparing savings on the basis of joint working across two and three partners. All scenarios work on the basis that any council service could be considered for joint working.

4. The Case for Broadening Joint Working

- 4.1 The financial case presented indicates potential savings over a ten year period. These savings range between £12,618,000 and £18,661,000 depending whether shared service or alternative service delivery models are utilised. These savings would be shared between the two Councils. Full details are outlined in Part 3 of this document.
- 4.2 The strategic case for broadening the Councils' approach to joint working was covered in detail in the draft business case presented to the Council meetings in December. The detail associated with the strategic case has not been repeated within this document as the drivers have not changed. The non-financial benefits associated with the confederation model can be summarised as retained sovereignty, organisational sustainability, strategic capacity and resilience. Likewise there is strong evidence that business models such as staff mutuals can improve performance and productivity. The approach is flexible enough to bring in additional partners and can access a wider scope of savings through the use of private sector business and employment practices and the potential to generate some income through the sale of services. It should be noted that income generation within this approach is a medium to long term objective.

5. Legal and Risk Considerations

- 5.1 A full review of the legal considerations associated with adopting a confederation approach has been completed and reviewed by both the Transformation Joint Working Group and the Joint Arrangements Steering Group.
- 5.2 This review has found that the councils have the necessary powers to set up a confederation and can use the Teckal exemption to trade efficiently within this model. The confederation can also accommodate a variety of service delivery vehicles which can be used to ensure the most efficient and effective approach to service delivery.
- 5.3 The review has found the use of contracts and shareholders agreements to be a key feature of the governance of any potential confederation and as a result a series of new Member roles have been identified within this context, during January 2015 initial Member training (delivered by the Institute of Directors) was provided and a full programme of Member Development will be required if the confederation approach is progressed. These agreements will protect the sovereignty of the founding councils and may also be extended to include additional partners if the founding councils wish to extend the partnership.
- 5.4 A risk assessment has been completed and a clear finding from this assessment is that any move towards a confederation should be implemented on an incremental basis. If the governance framework is established for a confederation services should move into this delivery model (for example into a council owned service delivery company) after a business case has been agreed by Members with respect to that specific service. After Member agreement a shared service would be implemented and business systems harmonised as an interim step before any move to the service delivery company.
- 5.5 Following a period of consultation (between December 2014 and February 2015) the business case has been reviewed and feedback received suggests that a further broadening of the approach to joint working between CDC and SNC presents an opportunity to help address the Council's medium term financial strategy and protect frontline services.

PART 1: BACKGROUND AND CONTEXT

1. Introduction

1.1 Background to the Business Case

- 1.1.1 The purpose of this document is to set out the next steps for joint working for Cherwell District Council and South Northamptonshire Council as requested by the full Council meetings in December 2014 following consideration of the draft business case.
- 1.1.2 This document presents a final case after the draft in December 2014 where options for three way joint working between Cherwell (CDC), South Northamptonshire (SNC) and Stratford-on-Avon District Councils (SDC) were considered.
- 1.1.3 At the Council meetings in December 2014 CDC and SNC adopted an 'in principle' commitment to explore joint working using both shared services and potentially developing alternative models of service delivery (such as council owned companies) in a confederation approach that would enable additional partners to work in collaboration. The SDC Council decision is shown in Figure 1 below. The confederation approach was not rejected but on the recommendation of the SDC Cabinet deferred to an undefined later date giving the opportunity for additional information to be made available. Concern was also expressed with the impending change to electoral arrangements it was considered preferable for the new Council to make the decision post May 2015.
- 1.1.4 The draft business case also set out the rationale for including all council services within the scope of potential joint working (subject to service specific proposals coming forward and being agreed by Members).
- 1.1.5 As such the picture painted within the draft business case remains largely unchanged. The financial, strategic and policy drivers for joint working remain and the potential for savings offered by broadening the approach to joint working will help to ensure that the deficit within the Councils' medium term financial strategies can be reduced.
- 1.1.6 Given the direction set by Councils in December 2014 the socio-demographic, strategic and policy context outlined within the draft business case has not been repeated within this document. Likewise the detailed rationale for the various options and scenarios presented in this paper has not been reproduced as they remain unchanged from the draft business case. As such this final business case should be read in conjunction with the first draft and its appendices, as it provides the 'next steps' proposal for joint working.
- 1.1.7 It should be noted that this final business case covers next steps options for CDC and SNC whilst offering the potential to extend arrangements to include Stratford-on-Avon District Council during 2015/16. The rationale for this is explained more fully under section 2.3. As a result of local policy development Stratford-on-Avon District Council has had to adopt an alternative timeframe for decision making. The CDC and SNC joint working proposals outlined in this final business case have been developed to ensure the two councils can begin to deliver savings as soon as possible.

1.1.8 Given these differences the CDC and SNC joint working proposals outlined in this final business case have been developed to ensure the two councils can begin to deliver savings as soon as possible and during 2015/16 to contribute to the budget in 2016/17.

Figure 1: Stratford-on-Avon Council Draft Minutes 15/12/14

551. Developing the Approach to Joint Working and the Delivery of Local Authority Services

Minutes:

Consideration was given to the recommendations contained in Minute 544 of the meeting of The Cabinet held on 15 December 2014:

During the ensuing debate, it was proposed by Councillor Moore and seconded by Councillor Cheney that the following be added to the recommendations:

IV That the Overview and Scrutiny Committee be asked to review this matter as part of the consultation process as a matter of urgency.

On being put to the vote, the amendment was declared carried.

Individual votes were then taken on the recommendations contained in Minute 544 resulting as follows:

Recommendation I – carried with 1 Councillor voting against

Recommendation II – carried with 1 Councillor voting against

Recommendation III – carried with 6 Councillors voting against and 1 Councillor abstaining

The composite recommendation was then put to the vote and declared carried.

Thereafter, it was

RESOLVED:

That, following a review by the Transformation Joint Working Group of Cherwell District Council, South Northamptonshire Council and Stratford-on-Avon District Council and agreement by the Joint Arrangements Steering Group (JASG), the business case for options to deliver three way joint working was noted and those Chief Officers from all three Councils and the Transformation Team who produced the report were thanked for their work. Accordingly, it was agreed that, subject to Cherwell District and South Northamptonshire Councils resolving in broadly similar terms, Stratford-on-Avon District Council:

- I. agree an 'in principle' move towards scenario 2 as set out in the appended business case and its supporting papers;
- II. agree that the business case be used as a source of information for public, partner and stakeholder consultation and, subject to the outcome of any consultation not leading Members to a change of view, request that a full and final business case, taking account of the responses received to this consultation, be brought to the Council within a timescale endorsed by the Leader and Portfolio Holder; and
- III. agree in principle and subject to consideration of consultation responses to include all services within the potential scope of joint working, subject to prior approval of individual business cases on a service by service basis and that the first phase of services considered for inclusion are back office or support services.
- IV. That the Overview and Scrutiny Committee be asked to review this matter as part of the consultation process as a matter of urgency.

1.2 Work undertaken to develop the draft business case

- 1.2.1 Since the December Councils considered the draft business case a full public consultation event has taken place and the results are summarised in section 3.2 below.
- 1.2.2 As requested by Council the additional information required to further develop the confederation model has been commissioned. This information is presented in detail in the appendices and referred to as part of the options appraisal in part 2 of this business case.
- 1.2.3 Work has been completed to ensure that the scenarios and approaches contained within this final business case deliver savings for CDC and SNC and can be extended to include Stratford-on-Avon Council (indeed the principles outlined could be extended to include any other interested party at a later date).
- 1.2.4 To support the organisational change requirements associated with the transformation programme a high level capability and competency assessment has been completed which will underpin the development of a full Organisational Development Strategy as part of the transformation programme going forward (this assessment is set out in Appendix B).

2. Financial and Strategic Context

2.1 Autumn Statement 2014

- 2.1.1 In December 2014, the Chancellor of the Exchequer published his Autumn Statement which confirmed that the national budget deficit had been halved and not eliminated and that national debt is still growing. As expected, the statement outlined how fiscal austerity would need to continue into the next Parliament.
- 2.1.2 The Autumn Statement outlined that a new Charter for Budget Responsibility would be published setting out the Government's commitment to spending reductions during the next parliament and that the Cabinet Office would publish a plan for £10billion of further efficiencies across government. No specific details were published on where the savings would be realised, however with the NHS and education likely to remain protected, it is expected that local government will face further significant spending reductions.
- 2.1.3 The subsequent annual financial settlements for Cherwell District and South Northamptonshire Councils confirmed this position with 2015/16 settlements in line with expectations set out in the medium term financial strategies of the two authorities. As such it is prudent to assume that the medium to longer term financial picture will be one of continuing austerity for district councils and local authorities generally and significant on-going savings will be required in order to deliver balanced budgets and retain financial sustainability.

2.2 Policy Drivers

- 2.2.1 The draft business case received by Council in December 2014 set out a broad policy context which has informed the development of the business case. This analysis is not repeated within this document as the drive towards collaboration across the sector has been maintained. Indeed the commitment to collaborative

working has been underlined at a national level with new consultation launched by central government on how to develop the Combined Authority model.

2.3 The Local Context

- 2.3.1 Developments within the local context have shifted in the last months with the announcement of a number of potential collaborative arrangements within the sub-region. These potential arrangements are at very early developmental stages and are unlikely to deliver savings for CDC and SNC within the lifetime of the Councils' medium term financial strategies. However they do have a bearing on how collaborative relationships across the region may develop.
- 2.3.2 In December 2014 Buckinghamshire, Northamptonshire and Oxfordshire County Councils announced their intention to explore the potential for a tri-county combined authority. Currently there are no other county based combined authorities in operation (existing combined authorities focus on city regions such as Manchester).
- 2.3.3 Likewise within the West Midlands region a potential combined authority centred on a 'Greater' Birmingham concept has been proposed. Whilst this plan may not include all of Warwickshire, Coventry has been asked to join and the Warwickshire Councils will no doubt wish to consider their position in relation to these developments.
- 2.3.4 Both Warwickshire County Council and Aylesbury Vale District Council have previously announced their desire to pursue unitary council bids. In recent years Northamptonshire County Council has expressed a clear interest in exploring county level unitary options and in January 2015 Oxfordshire County Council published a report outlining its desire for some form of county unitary governance. At the current time there is no national government policy supporting the implementation of new unitary councils and it looks unlikely that any local unitary bids will proceed at any pace and certainly not in time to address the need to deliver savings, and protect frontline district council services, within the life of the Councils' current medium term financial strategies.
- 2.3.5 However, the Warwickshire unitary preference has a particular bearing on the potential for three way working between CDC, SNC and SDC as there is some concern within Warwickshire about the impact of joint working or shared services across county boundaries. This concern has been clearly reflected in the consultation feedback from Stratford-on-Avon.
- 2.3.6 Given the Stratford-on-Avon Council position this business case presents the options and savings figures for collaborative working in a two way arrangement with the flexibility to extend the preferred model to SDC and indeed any other potential partner at a later stage in the programme.

3. Summary of Consultation Findings

3.1 Consultation Approach

- 3.1.1 As agreed by CDC and SNC Councils in December the draft business case has been subject to a public consultation exercise between the 18th December 2014 and the 6th February 2015. The draft business case and its non-exempt appendices have been published on the Councils' consultation webpages with a questionnaire inviting

comments on any element of the draft business case or any alternative suggestions for the delivery of savings not considered as part of the draft business case.

- 3.1.2 The consultation was published via the press and key stakeholders were informed that the consultation was underway. The Chief Executives have met with the regional union representatives and invited comments; likewise feedback from employees has also been invited.
- 3.1.3 The consultation was been mirrored across Cherwell, South Northamptonshire and Stratford-on-Avon Councils and the survey used open questions, inviting feedback on any element of the business case or alternative proposals to ensure respondents had the opportunity to comment as widely as possible.

3.2 Consultation Findings

- 3.2.1 This section provides a summary of the consultation feedback. It should be noted that whilst the consultation was undertaken in the same way across the three Councils the local context for each of the three is entirely different. Cherwell and South Northamptonshire have a track record of joint working that has already delivered in excess of £3 million annual savings to the two authorities, as such the concept of shared services and joint working is well established within the districts and the impact of broadening the current approach perhaps less challenging than for Stratford-on-Avon where there are only limited joint working arrangements in place. This has resulted in both differing amounts and content in terms of feedback when comparing Cherwell and South Northamptonshire with Stratford-on-Avon.
- 3.2.2 The vast majority of responses (over 83%) were received from residents of Stratford-on-Avon District Council. This reflects the significantly higher profile that the consultation has received in the local press compared with Cherwell and South Northamptonshire. A number of responses were received from local businesses (approx. 8%) and employees of the three Councils (approx. 7%).
- 3.2.3 The majority of respondents were in favour of the principle of joint working; however many respondents (approx. 15%) felt that joint working should be pursued with other Councils within county boundaries rather than the proposed partnership. Of these responses the majority specifically suggested that Stratford-on-Avon should look at joint working within Warwickshire. The majority of respondents were in favour of joint management as a way of saving money; however a few specified that this should only be done within county boundaries.
- 3.2.4 A range of responses were received as to which services should be in scope. The responses can be broadly grouped into those who believe that all services should be subject to a business case to establish the benefits and those who believe that only support services (HR, Finance, ICT etc.) should be considered.
- 3.2.5 A number of alternative options for reducing Council budgets were suggested, including forming unitary authorities within county boundaries and sharing services with other local Councils within county boundaries. Outsourcing was suggested as an option by many respondents, but equally opposed as an option by others.

PART 2: OPTIONS APPRAISAL

4. Overview of Options

4.1 Options Considered in the Draft Business Case (December 2014)

- 4.1.1 As part of the production of the draft business case a number of scenarios were developed as options to deliver joint working. These include both working in shared service arrangements and using alternative service delivery models such as council owned companies in a 'confederation' approach.
- 4.1.2 In the draft business case reviewed by Council in December 2014 four scenarios were presented. These explored both the scope of services to be included in any potential joint working and different ways of organising those services (i.e. as a shared service or as part of a confederation).

Table 1: Summary of joint working scenarios presented in the draft business case to Council in December 2014 (all three way options)

Scenario	Shared Service or Confederation	Scope of services included
Scenario 1:	Shared services approach	support services/back office only
Scenario 2:	Shared services approach	all services in scope
Scenario 3:	Confederation approach	support services/back office only
Scenario 4:	Confederation approach	all services in scope

- 4.1.3 At Council in December 2014 Scenarios 1 and 3 were discounted as they did not deliver the magnitude of savings required by the Councils' medium term financial strategies. Scenarios 2 and 4 were agreed in principle by SNC and CDC (with SDC reaffirming its 2012 commitment to scenario 2 and taking no decision on scenario 4) and were subject to public consultation which has now been completed.

4.2 Options Presented in the Final Business Case (February 2015)

- 4.2.1 In this final business case scenarios 2 and 4 (as described above) remain and an additional two scenarios are outlined. These additional scenarios present joint working opportunities between Cherwell District and South Northamptonshire Councils reflecting the twin track approach to joint working given Stratford-on-Avon District Council's wish not to work to a time frame pre May 2015 elections.
- 4.2.2 As such this document presents four options to deliver savings through joint working. Scenarios 2 and 4 as set out in the draft business case in December 2014, (these scenarios remain unchanged) and scenarios 5 and 6.
- 4.2.3 Scenarios 5 and 6 set out savings which can be achieved using the same assumptions for joint working and/or a confederation (i.e. those assumptions underpinning scenarios 2 and 4) but with regards to only two Councils (CDC and SNC) as founding partners.
- 4.2.4 Section 5 describes these scenarios in more detail and the table below provides a short summary.

Table 2: Summary of joint working scenarios presented in the final business case (February 2015)

Scenario	Shared Service or Confederation	Scope of services included
Scenario 2:	Shared services approach	all services in scope (3 - way)
Scenario 4:	Confederation approach	all services in scope (3 - way)
Scenario 5:	Shared services approach	all services in scope (2 - way)
Scenario 6:	Confederation approach	all services in scope (2 - way)

4.3 Alternative Options

- 4.3.1 In the draft business case a series of alternative options were presented with a 'SWOT' (strengths, weaknesses, opportunities, threats) analysis. Many of these options were rejected as they either failed to deliver the magnitude of savings required within the lifetime of the medium term financial strategy or they relied on top down re-organisation of local government.
- 4.3.2 It should however, be noted that the flexibility provided through the scenarios presented in this business case (i.e. shared services and the potential confederation model) would enable the founding Councils to develop various approaches to joint working. This could include the use of outsourcing, joint ventures and working with other public and voluntary sectors. The recommendation to proceed with any form of joint working on an incremental basis (by developing service specific business cases exploring options for both shared services and alternative forms of service delivery) will ensure that each decision is taken by Members with the impact on the service users fully assessed.

5. Shared Service Options

5.1 Scenario 2: A three way shared services approach with all services in scope

- 5.1.1 As outlined in the draft business case (December 2014) scenario 2 presents a business case for three way joint working with all services in scope (decisions regarding specific implementation arrangements for individual services to be taken on a business case by case basis by Members). The rationale for savings in this scenario is based on the following assumptions:

- Savings through reduced senior management
- Savings through ICT harmonisation
- Savings through reduction in staffing numbers
- Savings through reduction in controllable budgets (procurement, efficiency and business process savings)

These assumptions have not changed and as such are not repeated in detail within this business case. The anticipated savings associated with this scenario are presented in part 6 of this document.

- 5.1.2 This scenario is currently agreed as an 'in principle approach' across all three Councils and this final business case proposes no changes to either the rationale or the estimated savings that could be achieved by adopting this approach.

- 5.1.3 However, at the current time it is not advisable to progress until Stratford-on-Avon DC has clarified their position with regards to the scenario 4 (confederated approach). It is considered that successful implementation will require SDC to adopt the same scenario or long term vision for joint working as CDC and SNC as Council policy (in essence to set out whether a confederation approach can be used to enable joint working) and for all three partners to ensure effective three way governance arrangements are in place. Part 3 of this business case outlines the anticipated savings if this approach was implemented.
- 5.1.4 Implementation of scenario 2 would be required if the Councils' decided to adopt scenario 4 as their preferred approach.

5.2 Scenario 5: A two way shared services approach with all services in scope

- 5.2.1 Scenario 5 outlines the expected savings that could be delivered if the current approach to joint working between CDC and SNC was broadened to include all Council services within the scope for potential shared services. The rationale for savings will be the same as in scenario 2, however as there are fewer economies of scale it is anticipated that savings will be slightly lower (see part 3 for predicted savings).
- 5.2.2 This scenario would accelerate the pace of joint working across the two Councils and necessitate a significant programme of change and organisational development to realise the benefits. In addition enhanced governance arrangements (see part 4) would be required to ensure the complexity of joint working in frontline services is effectively managed and benefits effectively realised. This option provides an opportunity to continue the delivery of the Councils' transformation programme through shared services whilst developing proposals that could be extended to cover additional partners.
- 5.2.3 Implementation of this scenario would be required if Members sought to pursue a confederation approach as set out in scenario 6 (or any form of jointly commissioned alternative service delivery models) in the medium to longer term.

5.3 Management Arrangements and Organisational Development

- 5.3.1 The delivery of the programme of transformation and realisation of financial benefits associated with scenario 5 will require management arrangements to ensure that there is enough capacity to deliver the programme whilst sustaining frontline service delivery performance.
- 5.3.2 Appendix C outlines the rationale and design principles required for these management arrangements. They include:
- Maximising spans of controls and a flatter more flexible structure
 - Corporate responsibilities to ensure organisational silos are not built up
 - Enhancing strategic capacity to support long term organisational objectives
 - Ensuring there is enough senior capacity to deliver organisational transformation and major projects whilst maintaining and enhancing core frontline services
 - Enhancing commercial capacity to ensure the councils are equipped to maximise income generation opportunities and explore the best way to configure service delivery

- 5.3.3 A revised management structure has not yet been developed but will be required if Members decide to pursue scenario 5 (and also if Members in the longer term wish to continue developing scenario 6).
- 5.3.4 Management arrangements will be focused on ensuring that CDC and SNC have the strategic capacity and operational leadership to deliver the objectives of both Councils. These arrangements will not prevent the development of additional joint working opportunities with SDC or any other partners and as such the principles of design will embed flexibility, corporate leadership and development of skills to support the long term challenges facing the sector. These include the delivery of significant business transformation and the increasing need to work in a commercial environment.
- 5.3.5 To this end the draft Work Force Development Plan (high level capability and competency assessment) as set out in Appendix B, will ensure that the right skills, experience and attributes are in place across the Councils. This document presents the strategic skills gaps associated with the delivery of change and the development of alternative forms of service delivery including the potential to trade services within the public sector. It should be noted that it does not identify significant strategic gaps associated with the technical and professional functions of the councils.
- 5.3.6 The implementation of any new managerial arrangements will be undertaken in line with the Councils' organisational change policy and overseen by the Joint Committee.
- 5.3.7 Taken together these appendices provide a draft framework for a full organisational development strategy to be developed if the business case is agreed by the Councils, as set out in the programme plan (see table 12).

6. Alternative Service Delivery / Confederation Options

6.1 Scenario 4: A three way confederation approach with all services in scope

- 6.1.1 As set out in the draft business case (December 2014) scenario 4 presents a business case for three way joint working with all services in scope for delivery within a confederation approach. This option considered the potential savings that could be achieved if the Councils collectively established council owned companies to deliver services.
- 6.1.2 A full description of the model is available in the draft business case and as such is not repeated here. Appendix A does however provide a summary of the model and Appendix D provides further technical detail regarding the model and how it may be developed if Members wish to consider its application in the medium to long term.

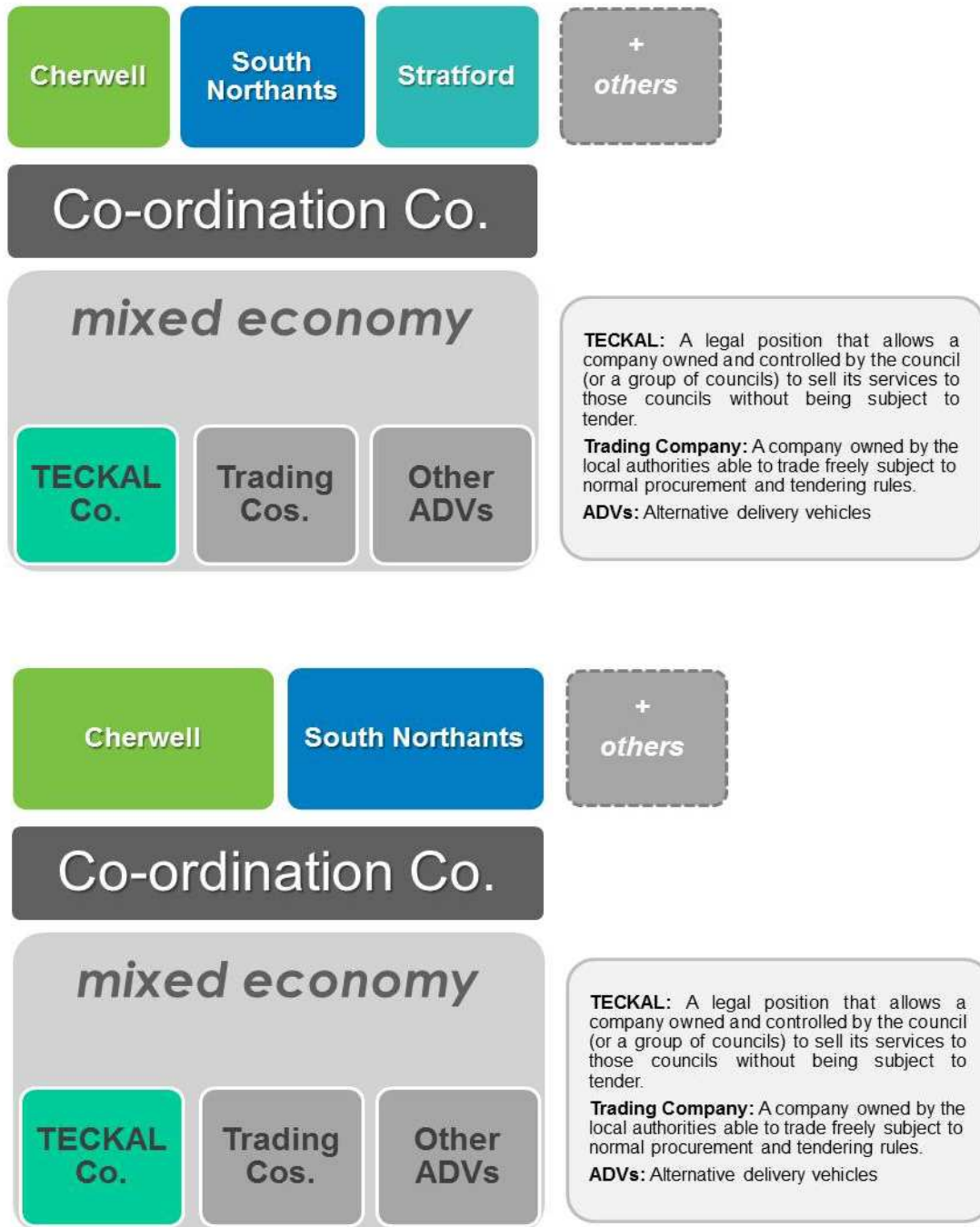
The rationale for savings in this scenario is based on the following assumptions:

- Savings through reduced senior management
- Savings through ICT harmonisation
- Savings through reduction in staffing numbers
- Savings through reduction in controllable budgets (procurement, efficiency and business process savings)
- Savings in workforce costs (pensions)

- The potential of generating income through commercialisation of services (e.g. delivering services to additional partners)
- 6.1.3 This scenario is currently agreed as an 'in principle approach' (by CDC and SNC). SDC has not yet taken any decisions regarding the confederation model and as stated above scenario 4 is not an option to pursue until Stratford-on-Avon has identified its policy position.
- 6.1.4 This final business case proposes no changes to either the rationale or the estimated savings that could be achieved by adopting this approach. Successful implementation will require SDC to adopt the scenario as Council policy and for all three partners to ensure effective three way governance arrangements are in place. Part 3 of this business case outlines the anticipated savings if this approach was implemented.
- 6.2 Scenario 6: A two way confederation approach with all services in scope**
- 6.2.1 Given the constraints associated with scenario 4 (a three way confederation with all services in scope) this final business case presents a sixth scenario which models potential savings that could be achieved if the Councils decided to pursue a confederation with two founding Councils with the flexibility to bring on additional partners.
- 6.2.2 This scenario is based on the same working assumptions as the three way confederation option (i.e. scenario 4) but with figures adjusted to reflect the predicted savings and implementation costs for two Councils. The assumptions are highlighted in 6.1.2 and described in more detail in part 3.
- 6.2.3 A confederation approach establishes a framework by which the Councils could, over time, set up different types of working arrangements to deliver council services. These organisations would all be legal entities and different types of arrangements could include council owned companies (that could trade), not for profits or mutuals. A co-ordination company, (operating as a local authority company equally owned by the partners) would ensure that services commissioned from this 'mixed economy' perform to the standards set by the Councils and would be charged back to the commissioning Councils at the correct rate.
- 6.2.4 Figure 2 illustrates the proposed confederated approach; it shows three clear 'tiers' of operation, each with different purposes. At the top tier the founding partners remain sovereign councils with full responsibility for setting strategy, policy and commissioning services. Retained services at this level maybe operated as standalone council services or as joint/shared services with another council. Each Council is responsible for setting its own budget, budget strategy and medium term financial plan.
- 6.2.5 Owned by the founding Councils the co-ordination company provides a management function for the co-ordination of service delivery. It streamlines the complexity associated with collaborative working and drives the operational performance and delivery of commissioned services. The co-ordination entity is responsible for the sourcing of services on behalf of the founding Councils and it ensures a fair, efficient and effective charging arrangement for service delivery.
- 6.2.6 At the mixed economy level, leaner and flatter service companies deliver operations as specified by commissioning Councils. Additional partners can buy in services at this level or seek to participate at a more strategic level if mutually beneficial. Figure

2 highlights the flexibility available at the lower tier. A full mixed economy with local authority owned companies able to deliver services as well as flexibility for outsourcing or establishing other entities (such as not for profits) if required.

Figure 2: A Mixed Economy Model for Service Delivery (with 2 and 3 founding partners)



6.2.7 The technical note at Appendix D provides more detail regarding how a confederation could be structured and the tax and pensions implications. This information includes:

- the most advantageous corporate structures for the co-ordination entity, its role and functions
- commentary on how service specification, delivery, monitoring and charging will be undertaken
- a set of criteria for the use of potential mixed economy approaches (e.g. when to use and for which purpose)
- a summary of exit provisions
- a note on pensions (risks and opportunities)
- next steps to develop the model

6.2.8 It should be noted that the clear guidance from our independent legal and financial advisors has been, and remains, that if the Councils wish to implement a confederation model it should be done on an incremental basis to minimise the risk to service delivery and ensure that high quality business cases (including market appraisals) are developed. As such the additional detail outlined in this business case should be seen as the next stage in the development of the approach. Part 4 of this document outlines a proposed programme plan to develop the confederation if Members wish to do so.

PART 3: ANTICIPATED BENEFITS

7. Overview of Scenarios and Anticipated Benefits

7.1 Scenarios and Underpinning Assumptions

7.1.1 This section of the business case highlights the potential savings associated with each scenario. Scenarios 2 and 4 remain unchanged from the draft business case in terms of both assumptions and predicted savings.

7.1.2 Scenarios 5 and 6 are based on the same principles and assumptions as 2 and 4 but applied to Cherwell District Council and South Northamptonshire Council only (i.e. two way shared services or a two way confederation approach). The table below outlines the assumptions which underpin the scenarios.

Table 3: Assumptions underpinning cost modelling

Assumption	Scenarios to which applied	Rationale
I. Savings through reduced senior management	All	All scenarios will result in fewer senior management roles.
II. Savings through ICT harmonisation	All	A reduction in the number of business systems, duplication of current systems and a reduction in licensing costs, applicable to all scenarios.
III. Savings through reduction in staffing numbers	All	Economies of scale and reduction in duplication applicable to all scenarios. A 5% reduction has been assumed.
IV. Savings through reduction in controllable budgets	All	Economies of scale and reduction in duplication applicable to all scenarios. A 2% efficiency saving has been assumed.
V. Savings in workforce costs (pensions)	4 and 6	Only modelled in confederation scenarios where in the long term pension savings may be accessed via the utilisation of company structures.
VI. Income	4 and 6	Only modelled in confederation scenarios where income generation is feasible.
VII. Additional running costs	4 and 6	An allowance for running costs of potential new entities has been included in the modelling.

7.1.3 In terms of the assumptions listed in table 3 a number of features should be noted; points I-IV relate to all scenarios and points V to VII relate to the confederation approach only (i.e. scenarios 4 and 6):

- I. **Savings through reduced senior management:** these which include an assumption in the order of a 25% reduction for models 2 and 5 and in the region of 30% for models 4 and 6. This is felt to be a reasonable assumption given previous experience of the delivery of shared services

- II. **Savings through ICT:** these are based on analysis resulting from the ICT harmonisation programme. Savings are held at the same level under each scenarios 2 and 4 but marginally less for options 4 and 6 given the reduction in purchasing power if Stratford-on-Avon are not included in shared procurement activity going forward. Implementation costs are not included within this business case to deliver these savings, the expectation being that as business cases are developed to harmonise systems implementation will be included at that stage and those projects will only proceed if it is demonstrated that each business case provides a payback period that is worth pursuing
- III. **Savings through reduction in staffing numbers:** an assumption of 5% has been made based on previous experience of shared service delivery. The calculation has been made on average salaries.
- IV. **Savings through reduction in controllable budgets:** a 2% efficiency saving has been assumed on the basis that ICT and staffing savings have already been factored in to the analysis. Savings of 2% can be delivered through a mix of procurement, economies of scale and business process improvement. Past experience in the delivery of shared services has shown that 2% is a prudent assumption that is likely to be bettered if more significant business process transformation is undertaken.
- V. **Savings in workforce costs (pensions):** these savings are based on the assumption that new employees within a confederation would have different terms and conditions and that savings could be delivered particularly through the reduction in pension contributions for new employees of council owned companies. Existing staff are assumed to retain their current terms and conditions as part of a TUPE transfer.

In this financial case this assumption employed is that new starters of the new entity do not have any rights or protection afforded under TUPE to access the Local Government Pension Scheme. Therefore the financial implications have been calculated to reflect the potential that any new starter over the next ten years will be employed on the statutory minimum contribution required from an employer in relation to pension schemes. Currently this is a 1% contribution rate.

However, a more realistic stakeholder pension contribution rate of 3% has been included in models 5 and 6. Contribution rates of 5% and 7% have also been modeled and these are also included for comparative purposes.

One risk that we do need to be aware of is that the Local Government Pension Scheme 2014 pension regulations are likely to change in the near future to iron out some of the unintended consequences of some of the provisions in the original bill. These changes were subject of a consultation process which closed at the time of writing this business case.

Within the consultation paper is a proposal for employees of Council wholly owned companies to be given continued access to the Local government Pension Scheme. Clearly, if this proposal was adopted the pension savings referred to within this business case would not be deliverable. At the current time it is unclear as to whether these proposals would include other forms of alternative service delivery vehicles such as employee mutuals or joint ventures.

Rates of turnover comparable to the current situation in each of the Councils have been used to help estimate the financial benefit that this could derive. However, it is accepted and taken into account in the estimates that there is a proportion of staff that do not leave our employment and therefore has been calculated using a reducing balance methodology.

Pension's savings of this type will only be realised in a confederation approach and then only apply to new employees appointed on the terms and conditions of the confederation company. However, as detailed above, it is not possible to determine if these savings will be deliverable until the revisions to the LGPS Regulations are made.

VI. **Income:** a modest assumption of income generation has been made, assuming no income before 2019/20 and income levels increasing to £200k per annum (for SNC and CDC) at gradual increments between 2020/21 and 2024/25.

VII. **Additional running costs:** estimated costs of between £150,000 and £200,000 per annum for the running costs of any new company structures have been built into the model. It should be noted that these costs will only be incurred within a confederation approach. They have been included on the assumption that there may be new appointments at a senior level to a council owned company. However any new appointment could also be covered using existing posts via a secondment between the council(s) and any new confederation company.

At this stage no assumptions have been made regarding the type or number of posts/roles to support confederation companies. These costs have been included in the scenarios rather than as implementation costs as they may be incurred on an on-going basis. The savings associated with scenarios 4 and 6 take into account these potential additional costs.

7.1.4 Table 4 provides a summary of the anticipated savings associated with each scenario over ten years. The indicative split of the savings is shown in table 4 below. The incidence of the savings attributable back to each authority has been calculated using the same assumptions being applied to the current budgets in place within each of the authorities. The amounts in brackets under Scenarios 2 and 4 are the SNC and CDC savings associated with these scenarios to provide a true comparative for Scenarios 5 and 6.

Table 4: Indicative level of savings for each Council (10 Years)

	Ten Year Savings Indicative Split			
	Cherwell £000	South Northants £000	Stratford £000	Total £000
Scenario 2	8,928	4,825	5,054	18,807 (13,753)
Scenario 4	12,167	7,112	7,759	27,038 (19,279)
Scenario 5	8,332	4,286	N/A	12,618
Scenario 6	11,862	6,799	N/A	18,661

Table 5: Summary of savings associated with each scenario

	Assumption	Over 10 years	Total Saving
Scenario 2	• Reduced Senior Management	£4,373,473	£18,806,504
	• ICT Savings (harmonisation)	£2,601,290	
	• Reduction in staffing numbers	£9,237,125	
	• Reduction in controllable budget	£2,594,616	
Scenario 2	SNC and CDC only Excluding Stratford-on-Avon for comparison purposes		£13,752,724
Scenario 4 (Stakeholder pensions at 1%)	• Reduced Senior Management	£5,109,634	£27,038,278
	• ICT Savings (harmonisation)	£2,601,290	
	• Reduction in staffing numbers	£9,237,125	
	• Reduction in controllable budgets	£2,594,616	
	• Workforce savings (pensions)	£8,115,613	
	• Income assumption	£1,180,000	
	• Running costs assumption	£-1,800,000	
Scenario 4	SNC and CDC only Excluding Stratford-on-Avon for comparison purposes		£19,279,471
Scenario 5	• Reduced Senior Management	£2,567,858	£12,617,530
	• ICT Savings (harmonisation)	£1,203,573	
	• Reduction in staffing numbers	£6,709,670	
	• Reduction in controllable budget	£2,136,429	
Scenario 6 (Stakeholder pensions at 3%)	• Reduced Senior Management	£3,343,568	£18,660,661
	• ICT Savings (harmonisation)	£1,203,573	
	• Reduction in staffing numbers	£6,709,670	
	• Reduction in controllable budgets	£2,136,429	
	• Workforce savings (pensions)	£5,830,755	
	• Income assumption	£786,666	
	• Running costs assumption	£-1,350,000	

* the income figures do not take into account taxation implications

** assumptions re. stakeholders pensions contributions remain at 1% (as set out in the draft business case)

8. Analysis of Scenarios and Anticipated Benefits

8.1 Estimated Savings for each Scenario

8.1.1 The tables above highlight the ten year savings that could be delivered with the different scenarios that have been prepared. This is in line with the business case approach as set out by the Treasury and Department for Communities and Local Government. Annual, 3, 5 and 10 year savings have been presented in table 6 below.

8.1.2 The range of annual savings is highlighted in table 6 below for each of the different scenarios that have been prepared. The table shows the estimated annual savings in the first year, the estimated annual savings in year 2 and the estimated annual savings in year 10. The average estimated annual savings this column has been used to calculate the payback periods later on in this section. For scenarios 4 and 6 the savings include those associated with reductions in employer pension costs. The employer in these scenarios would be the company/entity and not one of the Councils. The employer will have the opportunity to make decisions regarding the pension scheme offered.

8.1.3 The assumptions adopted in relation to the savings are prudent. It is expected that if the business case is implemented these could be improved upon. For forecasting purposes they demonstrate a level of saving that could realistically be achieved.

Table 6: Summary of estimated savings

	Annual Savings				Predicted savings 3,5 & 10 years		
	2015-16	2016-17	2024-25	Average	3 Years	5 Years	10 years
SCENARIO 2:	£000	£000	£000	£000	£000	£000	£000
Cherwell	392	948	948	893	2,289	4,186	8,928
South Northants	176	516	516	482	1,209	2,242	4,824
Stratford	192	540	540	505	1,272	2,352	5,054
Total	760	2,004	2,004	1,880	4,770	8,780	18,806
SCENARIO 4:	2015-16	2016-17	2024-25	Average	3 yrs	5 yrs	10 yrs
Cherwell	469	1,056	1,513	1,217	2,644	5,078	12,167
South Northants	230	580	931	711	1,435	2,832	7,112
Stratford	256	623	1,021	776	1,555	3,075	7,759
Total	955	2,259	3,465	2,704	5,634	10,985	27,038
SCENARIO 5:	2015-16	2016-17	2024-25	Average	3 yrs	5 yrs	10 yrs
Cherwell	371	885	885	833	2,140	3,909	8,332
South Northants	158	459	459	429	1,075	1,993	4,286
Total	529	1,344	1,344	1,262	3,215	5,902	12,618
SCENARIO 6:	2015-16	2016-17	2024-25	Average	3 yrs	5 yrs	10 yrs
Cherwell	454	1,010	1,492	1,186	2,540	4,902	11,862
South Northants	216	537	906	680	1,338	2,663	6,799
Total	670	1,547	2,398	1,866	3,878	7,565	18,661

8.1.4 The one area which was tested through a sensitivity analysis in the draft business case relates to the assumptions surrounding the pension arrangements which would be open to new starters within a confederated approach. The tables are not duplicated here for Scenario 4 but the analysis modelled employer pension contributions of 1%, 3% and 5%. The current pension contribution within the three authorities is around 13.7%.

8.1.5 Under Scenario 6 the assumption on the level of employer contribution stakeholder pension has been increased to 3% in the base case which is thought be a more realistic level. Further sensitivity analysis has been carried out modelling a 5% and 7% stakeholder pension contribution and these options have the following impact on the savings under scenario 6:

- A 5% stakeholder pension reduces the 10 year savings for Cherwell by £640,000 or an average of £64,000 per annum.
- A 7% stakeholder pension reduces the 10 year savings for Cherwell by a further £640,000 or an average of £64,000 per annum, the total ten year reduction

therefore being £1,208,000 or an average of £128,000 per annum when compared to the base case.

- A 5% stakeholder pension reduces the 10 year savings for South Northants by £450,000 or an average of £45,000 per annum.
- A 7% stakeholder pension reduces the 10 year savings for South Northants by a further £450,000 or an average of £45,000 per annum, the total ten year reduction therefore being £900,000 or an average of £90,000 per annum when compared to the base case.

8.2 Costs (implementation and on-going)

8.2.1 Implementation costs will be incurred to some extent regardless of the approach to joint working pursued (e.g. traditional shared services or a confederated approach).

The following costs have been estimated at this stage:

- Redundancy costs (these vary greatly depending on each individual's age, length of service and membership of the local government pension scheme. Without knowing which individuals may be affected by new operating models it is not possible to present specific implementation costs. As such a range of is presented).
- Early retirement costs – only a very broad estimate can be provided at this early stage
- Programme management costs
- Professional advice (pension, actuarial and tax advice) - Scenarios 4 and 6 only (i.e. confederation approaches)
- Initial marketing and promotional campaign – Scenarios 4 and 6 only (i.e. confederation approaches)
- Recruitment and advertising costs – Scenarios 4 and 6 only (i.e. confederation approaches)
- Staff re-training and development – Scenarios 4 and 6 only (i.e. confederation approaches)
- Company set up and registration costs – Scenarios 4 and 6 only (i.e. confederation approaches)
- Contingency costs.

The following costs have not been included at this stage:

- Costs associated with the harmonisation of ICT applications. These will be included in the individual business cases as they come forward
- Cost of additional tax liability (will only be known when advice commissioned)
- Cost of Pension Fund deficit or impact (will only be known when advice is provided by the councils' actuaries)

8.2.2 A range of implementation cost models have been formulated highlighting an estimate of the minimum costs, average and maximum costs expected under each of the scenarios. The implementation costs have been split in proportion to the savings expected from each of the proposals in order to equalise the payback periods for the authorities and to ensure an equitable split of implementation costs are borne by each authority.

Table 7: Implementation Costs

Implementation Costs	Minimum	Average	Maximum
	£000	£000	£000
Scenario 2	1,295	3,268	5,006
Transformation Challenge Award	(900)	(900)	(900)
	395	2,368	4,106
Scenario 4	1,971	4,030	5,828
Transformation Challenge Award	(900)	(900)	(900)
	1,071	3,130	4,928
Scenario 5	712	1,854	2,839
Transformation Challenge Award	(600)	(600)	(600)
	112	1,254	2,239
Scenario 6	1,437	2,536	3,472
Transformation Challenge Award	(600)	(600)	(600)
	837	1,936	2,872

(see para 8.2.2) for an explanation of how the min-max ranges have been developed)

- 8.2.3 The successful bid for Transformation challenge Award will fund the first £900,000 of implementation costs under scenarios 2 and 4. However, under scenarios 5 and 6 it is assumed that this amount will reduce by a third to reflect that Stratford-on-Avon are no longer included in these scenarios. This fund may be used for three way working and confederation approaches. If CDC and SNC chose to pursue shared services solely on a two way basis guidance would be sought on the application of the TCA fund but a reduction of a third appears to be a reasonable assumption at this stage.
- 8.2.4 For scenarios 2 and 5 (i.e. shared service without confederation approaches) there are unlikely to be any significant additional on-going or running costs as both approaches utilise traditional management arrangements albeit in a shared capacity.
- 8.2.5 For scenarios 4 and 6 i.e. shared service with confederation approaches) running costs associated with new operating models (i.e. use of company structures) have been estimated (as set out in 7.1.3 vii). It should be noted that these costs are estimates and there is currently little comparative information available within the sector to provide any more than estimated figures. It should also be noted that these costs would be the running costs of the new companies rather than the councils' direct costs and in the early years of the approach could also be covered through secondment arrangements. The companies would be expected and incentivised to minimise their running costs through contracts and service level agreements.

8.3 Return on Investment and Payback Periods

- 8.3.1 Implementation costs are split in proportion to the savings expected to be derived from the proposals. This has the effect of equalising the payback periods for all authorities which appears to be an equitable way of determining how they implementation costs should be funded.
- 8.3.2 As a result the split of implementation costs will vary depending on the scenario that is adopted. The split of costs for each scenario is set out in the table below:

Table 8: Split of implementation costs

	Cherwell	South Northants	Stratford	Total
Scenario 2	47%	26%	27%	100%
Scenario 4	45%	26%	29%	100%
Average	46%	26%	28%	100%
Scenario 5	66%	34%	n/a	100%
Scenario 6	64%	36%	n/a	100%
Average	65%	35%	n/a	100%

- 8.3.3 The principle of how the costs will be split needs to be set out at the start of the process so there is clarity on how they are shared and to avoid further debate later in the process. To this end, and for simplicity, it may be appropriate to use the average of the four scenarios to set how the implementation costs are split. This will deliver broadly equal pay back periods.
- 8.3.4 Table 9 pulls together all of the information on the anticipated costs and savings of each of the proposals to provide a return on investment and overall payback period for each of the models:

Table 9: Return on Investment and Payback Period

Scenario 2	Minimum	Average	Maximum
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Overall - Average Annual Estimated Savings	1,881	1,881	1,881
Overall - Estimated implementation Costs	395	2,368	4,106
Overall - Payback period (Years)	0.21	1.26	2.18
Overall - Payback period (Months)	2.5	15.1	26.2
Cherwell - Average Annual Estimated Savings	893	893	893
Cherwell - Estimated implementation Costs	187	1,124	1,949
Cherwell - Payback period (Years)	0.21	1.26	2.18
Cherwell - Payback period (Months)	2.5	15.1	26.2
South Northants - Average Annual Estimated Savings	483	483	483
South Northants - Estimated implementation Costs	101	607	1,053
South Northants - Payback period (Years)	0.21	1.26	2.18
South Northants - Payback period (Months)	2.5	15.1	26.2
Stratford - Average Annual Estimated Savings	505	505	505
Stratford - Estimated implementation Costs	106	636	1,103
Stratford - Payback period (Years)	0.21	1.26	2.18
Stratford - Payback period (Months)	2.5	15.1	26.2

Table 9: Return on Investment and Payback Period (continued)

Scenario 4	Minimum	Average	Maximum
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Overall - Average Annual Estimated Savings	2,704	2,704	2,704
Overall - Estimated implementation Costs	1,071	3,130	4,928
Overall - Payback period (Years)	0.40	1.16	1.82
Overall - Payback period (Months)	4.8	13.9	21.9
Cherwell - Average Annual Estimated Savings	1,217	1,217	1,217
Cherwell - Estimated implementation Costs	482	1,408	2,218
Cherwell - Payback period (Years)	0.40	1.16	1.82
Cherwell - Payback period (Months)	4.8	13.9	21.9
South Northants - Average Annual Estimated Savings	711	711	711
South Northants - Estimated implementation Costs	282	823	1,296
South Northants - Payback period (Years)	0.40	1.16	1.82
South Northants - Payback period (Months)	4.8	13.9	21.9
Stratford - Average Annual Estimated Savings	776	776	776
Stratford - Estimated implementation Costs	307	898	1,414
Stratford - Payback period (Years)	0.40	1.16	1.82
Stratford - Payback period (Months)	4.8	13.9	21.9

Scenario 5	Minimum	Average	Maximum
	<i>£000</i>	<i>£000</i>	<i>£000</i>
Overall - Average Annual Estimated Savings	1,262	1,262	1,262
Overall - Estimated implementation Costs	112	1,254	2,239
Overall - Payback period (Years)	0.09	0.99	1.77
Overall - Payback period (Months)	1.1	11.9	21.3
Cherwell - Average Annual Estimated Savings	833	833	833
Cherwell - Estimated implementation Costs	74	828	1,478
Cherwell - Payback period (Years)	0.09	0.99	1.77
Cherwell - Payback period (Months)	1.1	11.9	21.3
South Northants - Average Annual Estimated Savings	429	429	429
South Northants - Estimated implementation Costs	38	426	761
South Northants - Payback period (Years)	0.09	0.99	1.77
South Northants - Payback period (Months)	1.1	11.9	21.3

Table 9: Return on Investment and Payback Period (continued)

Scenario 6	Minimum	Average	Maximum
	£000	£000	£000
Overall - Average Annual Estimated Savings	1,866	1,866	1,866
Overall - Estimated implementation Costs	837	1,936	2,872
Overall - Payback period (Years)	0.45	1.04	1.54
Overall - Payback period (Months)	5.4	12.5	18.5
Cherwell - Average Annual Estimated Savings	1,186	1,186	1,186
Cherwell - Estimated implementation Costs	532	1,231	1,825
Cherwell - Payback period (Years)	0.45	1.04	1.54
Cherwell - Payback period (Months)	5.4	12.5	18.5
South Northants - Average Annual Estimated Savings	680	680	680
South Northants - Estimated implementation Costs	305	706	1,047
South Northants - Payback period (Years)	0.45	1.04	1.54
South Northants - Payback period (Months)	5.4	12.5	18.5

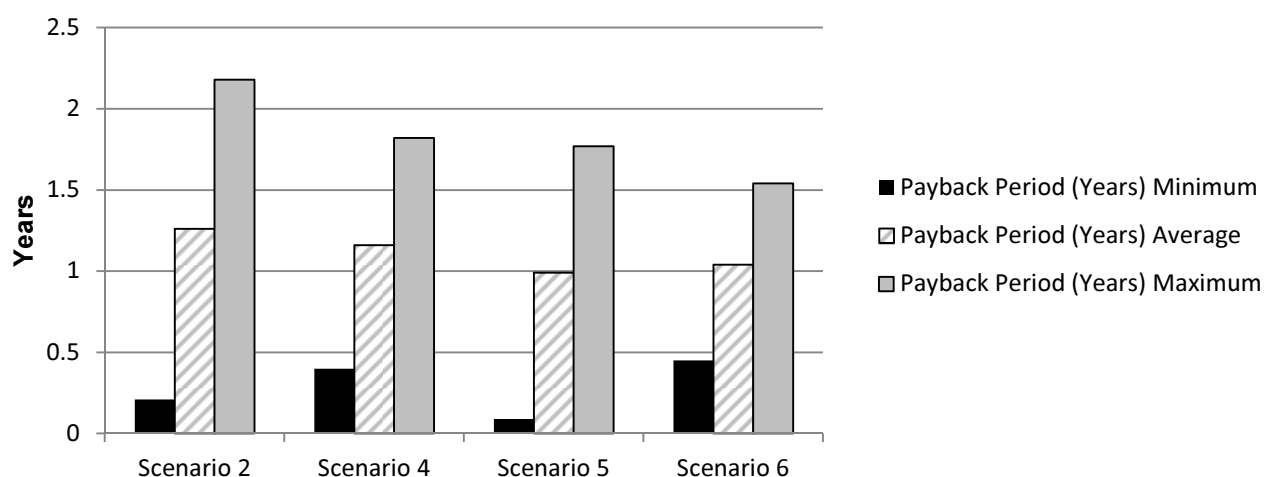
8.3.4 The information above is summarised in table 10 and the following bar chart. The chart demonstrates that, after taking into account the Transformation Challenge Award and the re-allocation of implementation costs to reflect the expected benefit all options payback the initial outlay within two years if the worst case implementation costs apply.

Table 10: Summary of Estimated Payback Period

		Payback Period (Years)		
		Minimum	Average	Maximum
Scenario 2	Equalised payback period	0.21	1.26	2.18
Scenario 4	Equalised payback period	0.40	1.16	1.82
Scenario 5	Equalised payback period	0.09	0.99	1.77
Scenario 6	Equalised payback period	0.45	1.04	1.54

As the implementation costs have been split in proportion to the savings expected to be achieved by each authority, the payback periods have been equalised and therefore are the same for each Council.

Figure 3: Estimated Payback period (years)



8.3.5 Any project that repays the investment made within the life of the medium term financial plan is worth considering. All of these options repay significantly within the medium term financial planning period for all authorities.

8.4 Medium Term Revenue Plan: Scenario Forecasts

8.4.1 Medium term financial plans are dynamic and are updated on a regular basis. The last plans that were presented publicly were in December 2014 at Cherwell and South Northamptonshire.

8.4.2 The latest publicly available medium term revenue plan is presented in the table below for each council, taking into account the four scenarios. The information is presented as if there were no other changes in the financial plans that are being worked on, although in reality the proposals contained within this business case represent a contribution to closing the medium term financial deficits and should not be considered in isolation but as part of a suite of proposals that are emerging that will seek to close the deficits going forward.

Table 11: Medium Term Revenue Plan Deficit Forecast by Scenario

Cherwell	2015-16	2016-17	2017-18	2018-19	2019-20	Total
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Medium Term Revenue Plan Deficit - July 2014	1,617	3,413	4,794	5,069	5,507	20,400
Scenario 2 – Five Year Savings	392	948	948	948	948	4,184
Scenario 2 – Forecast MTRP	1,225	2,465	3,846	4,121	4,559	16,216
Scenario 4 – Five Year Savings	469	1,056	1,119	1,175	1,259	5,078
Scenario 4 – Forecast MTRP	1,148	2,357	3,675	3,894	4,248	15,322
Scenario 5 – Five Year Savings	371	885	885	885	885	3,911
Scenario 5 – Forecast MTRP	1,246	2,528	3,909	4,184	4,622	16,489
Scenario 6 – Five Year Savings	454	1,010	1,077	1,137	1,225	4,903
Scenario 6 – Forecast MTRP	1,163	2,403	3,717	3,932	4,282	15,497

South Northants	2015-16	2016-17	2017-18	2018-19	2019-20	Total
	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>	<i>£000</i>
Medium Term Revenue Plan Deficit - July 2014	716	1,838	2,635	3,054	3,468	11,711
Scenario 6 – Five Year Savings	176	516	516	516	516	2,240
Scenario 6 – Forecast MTRP	540	1,322	2,119	2,538	2,952	9,471
Scenario 4 – Five Year Savings	230	580	624	664	733	2,831
Scenario 4 – Forecast MTRP	486	1,258	2,011	2,390	2,735	8,880
Scenario 5 – Five Year Savings	158	459	459	459	459	1,994
Scenario 5 – Forecast MTRP	558	1,379	2,176	2,595	3,009	9,717
Scenario 6 – Five Year Savings	216	537	584	627	698	2,662
Scenario 6 – Forecast MTRP	500	1,301	2,051	2,427	2,770	9,049

8.5 Income

- 8.5.1 The potential financial benefits of the confederated approach are in the reduction in costs through driving down running costs, efficiencies, economies of scale and workforce savings and the potential to generate income which may be used to reduce the costs of service delivery for the three partner Councils.
- 8.5.2 Given the current operating size of the Councils and their services it is unlikely that trading any additional capacity will alone provide a significant contribution to the medium term financial outlook. As such income generation is seen as a medium to longer term goal with the primary function of ensuring council services are delivered as cost effectively as possible; by trading with others the partner Councils reduce the costs of their own services.
- 8.5.3 A confederation approach will enable trading and provide an environment where if a new service was developed that was highly valued by the market, trading could take place freely with the company owned by the local authorities. Any trading company within the confederation will be subject to corporation tax and if Members decide to pursue this approach further guidance will be required as trading entities are established to ensure that any tax liabilities are dealt with legally and efficiently.
- 8.5.4 It should be noted that any trading undertaken by a Teckal company would need to be substantially (at least 80% of turnover) with the founding partners. Trading with customers (either public or private) beyond this limit would require the establishment of a non-Teckal trading company which would have to compete with other companies and providers to supply services to customers, via the public procurement regime and the Councils' own internal procurement rules.

PART 4: GOVERNANCE AND IMPLEMENTATION

9. Governance Requirements

9.1 The Governance Challenge

- 9.1.1 One of the key drivers for exploring a confederation approach has been the desire to reduce the governance complexity associated with shared services. To this end a full review of the governance implications was completed and reviewed by JASG in January 2014. This analysis has directly informed the development of the transformation programme during 2014.
- 9.1.2 To ensure there are robust governance arrangements in place to facilitate a broader approach to shared services and to ensure there is effective Member oversight of the transformation programme (for example any further development of the confederation approach) it is proposed that a Joint Committee is established to undertake these tasks.
- 9.1.3 The proposed governance arrangements are set out in Appendix E and include proposals for some Joint Scrutiny where this is appropriate. As at this stage only scenarios 5 and 6 can be progressed (2 and 4 are subject to a democratic decision making timetable yet to be determined by SDC) the proposed governance arrangements and terms of reference apply only to CDC and SNC. They may be extended to include additional partners as required and subject to further Member decision.

10. Arrangements for Implementation

10.1 Scenario 5: A two way shared services approach with all services in scope

- 10.1.1 Implementation arrangements for scenario 5 would be based around clear programme management arrangements and the development of workstream to co-ordinate the delivery of joint working arrangements and the implementation of a wider change programme that supports organisational development and builds upon the governance arrangements outlined above.
- 10.1.2 The table below outlines the workstreams that would be required to implement scenario 5 (and 6). If the business case is endorsed by Council this overview will be developed into a full programme plan to be overseen by the Transformation Joint Working Group and the Joint Arrangements Steering Group.

Table 12: Transformation Programme Workstreams Scenario 5 (and 6)

Workstream 1	Organisational Development <ul style="list-style-type: none">• Organisational Development Strategy• Delivery Plan (Including Member Development and Workforce Development Plans)• Review of terms and conditions (potential to harmonise where appropriate)• See appendix B for high level assessment of workforce development
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Workstream 2	<p>Joint Working Governance</p> <ul style="list-style-type: none"> Establishing the governance arrangements for joint working (Joint Committee and Members roles – as set out in appendix E) Establishing opportunities for Joint Scrutiny (as set out in appendix E) 	
Workstream 3	<p>Management Arrangements</p> <p>The implementation of management arrangements to oversee the delivery of the Transformation Programme (using the principles as set out in appendix C)</p>	
Workstream 4	<p>Feasibility Studies / Service Reviews</p> <p>On-going delivery of feasibility studies to consider options for joint working and (if appropriate) the development of business cases. Business cases will consider options including shared services and the potential of alternative service delivery models if the confederation approach is adopted.</p> <p>The list below outlines when feasibility studies will commence. NB. a feasibility explores the potential and options for joint working and will not necessarily result in a business case if adequate benefits are not identified. If the feasibility study identifies good potential for joint working a full business case will be developed. Implementation dates will be outlined at this point and take into account operation constraints and the requirements for employee consultation</p>	
	<p>Feasibility Study Schedule</p>	
	March 2015	Support Services (i.e. those not already shared)
	March 2015	<p>Public Protection and Environmental Health, including:</p> <ul style="list-style-type: none"> Community Safety, ASB and CCTV; Environmental Health; Licensing; Emergency Planning, Business continuity
	April 2015	<ul style="list-style-type: none"> Leisure Management, Facilities and Sports Development (including contracts and joint use); Community Development (including countryside); Economic Development and Transport Asset management
	May 2015	<ul style="list-style-type: none"> Customer Services (Inc. Print/Post/Scanning) Administration (transactional not specialist) Revenues and Benefits
	September 2015	<ul style="list-style-type: none"> Housing, regeneration Health and Wellbeing, social inclusion, prevention; Streetscene
	January 2016	<ul style="list-style-type: none"> Specialist planning services (e.g. conservation advice, arboriculture) Planning policy Development management/control

Workstream 5	<p>Business Case Implementation and Service Transformation</p> <ul style="list-style-type: none"> • Implementation of business cases following feasibility studies (the timeframe for each business case will be set out as part of the feasibility study undertaken in workstream 4). • Business/Service Transformation. Implementation of the transformation objectives outlined in businesses case to drive savings through service redesign, efficiency and improvement. This is likely to include harmonisation of business processes where additional efficiencies can be made. • Review any existing shared services with a view to ensuring they have delivered the required savings and exploring potential for income generation.
Workstream 6	<p>Customer Service</p> <p>The development of a joint approach to customer service and the development of a single customer insight / information management approach. (NB workstream not to commence until the SNC relocation to the Forum has been completed)</p>
Workstream 7	<p>ICT Vision and Strategy</p> <p>To deliver the vision, strategy and harmonisation programme for the joint ICT service. Including savings targets and capital programme and any opportunities for income generation.</p>
Workstream 8	<p>Innovation</p> <p>Delivery of I-Lab, developing commercial skills (linking into OD workstream), innovation mentoring.</p>
Workstream 9	<p>Economic Development Collaboration</p> <p>Implementation of the Deyton Bell Report</p>
Workstream 10	<p>Communications, Engagement and Consultation</p> <p>Programme Communications Strategy, engagement best practice and ensuring compliance with consultation requirements. Implementation of Joint Councils Employee Engagement Committee (as set out in appendix E)</p>
<p>Workstream 11</p> <p><i>(Only to be undertaken if Members decide to further develop scenario 6)</i></p>	<p>Confederation/Alternative Models of Service Delivery - Business Case Development</p> <p>Development of the next stage of this work, including:</p> <ul style="list-style-type: none"> • Setting out arrangements for Member leadership and engagement within any proposed alternative delivery structures. • Setting out services to be delivered using confederation model • Setting out organisational design and employment model • Continuing the technical development of the model – see appendix D.

10.1.3 It should be noted that any moves to implement shared services within this scenario (scenario 5) will still be subject to the Member decision making (on the basis of full business cases) and the usual employee consultation as set out in the Organisational Change Policy.

10.2 Scenario 6: A two way confederation approach with all services in scope

- 10.2.1 Implementation arrangements for scenario 6 are similar as those for scenario 5 (outlined in 10.1 above). They require organisational development, transitional management, improved governance arrangements and a programme management resource.
- 10.2.2 The only significant difference is the addition of a workstream (see workstream 11 in table 12 above) within the transformation programme to develop the confederation/alternative service delivery arrangements using the additional technical information provided in Appendix D and the inclusion of alternative service delivery models and commercialisation within Member and Officer development plans.
- 10.2.3 Any moves to implement alternative service delivery arrangements will require incremental development as they would need to first operate within a shared service environment prior to being spun out. The decision to spin out would be subject to a specific business case to be considered by Members after it is clear that a shared service approach has been effective. It should be stressed that scenario 6 should be seen as a medium term outcome.
- 10.2.4 The Joint Committee and Member Transformation Joint Working Group would oversee this workstream. If the confederation model was to be progressed proposals will be developed to establish the company structures required, these proposals will be overseen by the Members leading the transformation programme and subject to further democratic decision making processes.

11. Conclusion

11.1 Drivers for Joint Working

- 11.1.1 As set out in the introduction to this business case the financial drivers for broadening the approach to joint working have not changed. District councils should expect on-going financial constraints and a national policy framework that is strongly encouraging and incentivising joint working both in terms of shared services and the use of alternative models of service delivery.
- 11.1.2 The strong and effective working partnership between CDC and SNC makes the case for further development of joint working in both financial and operational terms. The desire to include additional partners likewise has clear financial merits. Whilst the timeframe for widening the partnership may necessarily be longer there are clear opportunities to progress with two way working whilst developing options for wider collaborative arrangements.
- 11.1.3 It is important to note that across the region there are moves to explore collaborative arrangements through the use of combined authorities. These moves are welcomed and as district joint working arrangements are developed they should take into consideration opportunities afforded through these new arrangements.

11.2 Benefits of the Proposed Approach

- 11.2.1 The proposed approach builds on the existing joint working arrangements between CDC and SNC by broadening the scope of services to be considered to include all services. The approach also provides a commitment to continue to work with additional partners in the future and to build in flexibility within joint working arrangements to enable this.
- 11.2.2 Expanding the existing joint working arrangements across CDC and SNC provides an opportunity to align services across the two Councils and realise savings whilst further developing options for collaboration and the use of alternative delivery models.
- 11.2.3 It is important to recognise the challenges ahead and the proposed approach seeks to support both Members and employees through this change by implementing an organisational development strategy and workforce plan.

11.3 Constraints

- 11.3.1 Risks associated with the proposed approach are set out in the original draft business case (considered by Council in December 2014) and the risk analysis is not repeated here.
- 11.3.2 Implementation costs associated with the proposed approach are set out in section 8.2 and would need to be funded by the two Councils. However, as set out in section

8.3 the average payback periods for the proposed approaches are between 0.99 and 1.04 years and as such represent payback well within the life of the medium term financial strategy.

11.4 Building in Flexibility

- 11.4.1 The proposed approach builds in the necessary flexibility to allow additional partners, including Stratford-on-Avon District Council, to join at a later date. The move towards two way joint working in all services across CDC and SNC will be done on a business case by business case basis to allow Members to consider the implications of each proposal. This provides the flexibility for additional partners to come on board as either partners or clients as business cases are developed and it will also provide Members with clear opportunities to decide not to progress a business case for joint working if the benefits are outweighed by risks.
- 11.4.2 The same approach would apply to the establishment of a two way confederation as specific service areas would be considered on a business case by business case basis. If Members decided an alternative model of service delivery was appropriate a business case for a shared service would be implemented prior to any alternative service delivery model (incremental implementation). Likewise Members will have the opportunity to decide not to progress an alternative service delivery model if they feel it is not appropriate.

11.5 Next Steps

- 11.5.1 This document develops the work undertaken in the draft business case which sets various scenarios to deliver savings through joint working. Whichever option(s) is/are agreed by the Councils implementation should begin as soon as is practicable to ensure savings can be realised in 2015/16 to help meet the requirements of the medium term financial strategies.
- 11.5.2 Following a Member decision the proposed governance arrangements should be put in place for the 2015/16 municipal year and the programme plan (based on the workstreams outlined in part 4) should be finalised and signed off by the Transformation Joint Working Group in March 2015.



Appendix A: Confederation model description

What is the Confederation Model?

The Confederation model is a way of organising how we (as a group of two or more councils) could undertake collaborative working. There are many ways of organising ourselves so we can work together. These include sharing services, setting up joint committees, secondments, joint procurement and partnerships. All of these have strengths and weaknesses and at times all three councils have used these mechanisms to undertake collaborative working.

What these models don't give us is much flexibility. If another partner joins us we need to set up new arrangements to accommodate them, this results in a 'freeze' on progress whilst we negotiate with another party. These approaches do not allow us to trade or act on a commercial basis. And, if we wish to undertake significant sharing of services, the governance becomes increasingly complex and the inevitable consequence is a requirement for the councils to undertake time consuming and costly harmonisation of terms and conditions.

The Confederation model currently being considered sets out a framework by which the councils could, over time set up different types of organisations, formal partnerships and arrangements to deliver council services. These organisations would all be legal entities and different types of arrangements could include council owned companies (that could trade) or simple shared services arrangements.

The Confederation approach may also establish a co-ordination group that ensures services working within the Confederation charge each council for what they use fairly, that performance targets are met and that the services are meeting the strategic needs of the councils in a legal way.

The diagram overleaf gives an overview of the potential Confederation model. With the founding sovereign councils at the top and a wholly joint council owned co-ordination company serving the founding councils underneath. This co-ordination company would be responsible for sourcing councils' services from a mixed economy. Within this mixed economy the councils have the opportunity to establish any type of legal entity (company, trust etc.) that they wish. The councils retain control of all owned entities.

Why are we considering this approach?

The financial outlook for local authorities remains challenging and all three councils are facing deficits of millions in their medium term financial position. Government policy is pushing district councils to share services and in the wider public sector outsourcing, budget pooling and alternative forms of service delivery (including commercialisation) are all being

progressed. We believe the Confederation model gives us a good opportunity to make savings and remain flexible and sustainable as sovereign district councils in the long term.

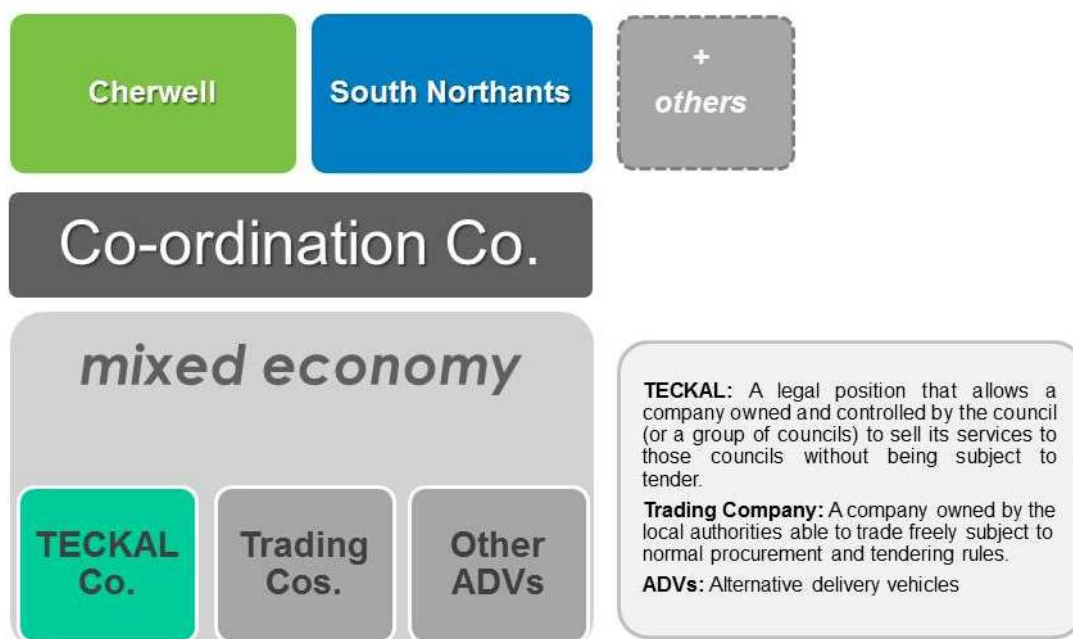
In summary:

- The model gives us maximum flexibility
- We can pick the best organisational structures for our services
- We can trade within a set of rules that means the councils can contract with the companies without the cost of procurement (the teckal rules)
- We can clearly decide which services to put into this arrangements and which to retain
- If the companies are very successful they can trade and generate income (following normal contracting and procurement regulations)
- We would move towards a Confederation model incrementally. We can decide on a limited number of services to put into a council owned company and work over a number of years to develop and sell this company's services.
- At any time others can join us at either the co-ordination level (subject to the agreement of the founding partners) or by trading with us. We can avoid whole council merging of terms and conditions and staffing structures
- We retain our individual sovereignty and local focus as district councils

Are there any downsides?

Any change poses challenges and this is no different. As we explore the potential of this approach, we will need to help staff adjust to new working arrangements and we will need to become more commercially minded. We will need new scrutiny arrangements for Members and as Members will sit on the boards of any council owned companies additional training will be required.

The Confederation Model



Collaborative Working: broadening our approach to and moving towards a confederation

Management Principles and Requirements

1. Introduction

This paper outlines the requirements for management principles for CDC and SNC to ensure the effective implementation of organisational transformation as set out in the business case for collaborative working. The business case covers all council services with the potential to ultimately move towards a confederation governance structure that will enable the councils to sell services and share services with additional partners. This model will be achieved through the use of alternative service delivery vehicles such as council owned companies, employee mutuals and joint ventures.

The scope of the management principles set out covers CDC and SNC and not Stratford on Avon DC as the business case for joint working will not be extended to encompass Stratford until their democratic decision making process is completed.

The move towards new ways of working will be on an incremental basis, as set out in the business case. As business transformation is implemented it is recognised that senior management arrangements will be required for two distinct but essential functions. The first of these is delivery of services and on-going projects, regulatory functions, managing performance and budgets: ensuring that core council services are maintained through a period of change. The second requirement is the implementation of a coherent and managed transformation programme. This will encompass all services, moving them into new (collaborative) operating arrangements over the medium term, implementation of business process change and systems harmonisation. It will also include the commercialisation of services if, where and when this is appropriate.

The magnitude of the task and the risk associated with change requires both the delivery of business as usual and the leadership of change to benefit from clear lines of accountability, strategic input and focus on transformation. It is anticipated that the new arrangements will be implemented in the first half of 2015/16 and will be underpinned by an organisational development plan.

2. Strategic Context

The business case for joint working (both the consultation draft December 2014 and the final draft February 2015) set out a strategic and financial context for collaborative working. The wider financial benefits that can be realised through shared services are well understood across Cherwell and South Northamptonshire Councils with in excess of £3 million saved across the two councils on an annual basis. As part of the financial case (February 2015) there is an assumption that there will be fewer senior managers and that those who remain will have more strategic and corporate roles. It will also follow that service managers who report into senior managers will have much clearer operational responsibility for service delivery.

There are a number of strategic drivers that have informed the development of these management proposals that are important to note.

- **Strategic Commissioning:** Service commissioning is a well-established approach to the development and delivery of services within the health and social care sectors and the approach (which is focused on commissioning for clear service outcomes) can offer a wider diversity of service delivery arrangements including collaboration with the voluntary sector, outsourcing establishing joint ventures and council owned companies.

What does a Commissioning Council look like?

- Slim/lean in terms of management structures, senior responsibility for strategy and commissioning
 - An inclusive council that works with service users and stakeholders to determine outcomes, plans and designs services and reviews services
 - Focusses on leadership and managing outcomes as opposed to operational processes and output management
 - Separates strategic commissioning from service delivery (but service delivery may be retained as an in house function). Commissioning is driven by a clear understanding of customer needs and the strategic objectives of the organisation. This is underpinned by knowledge management.
 - Focusses on customer and community outcomes and service quality
 - Good at performance and contract management, has a clear understanding of service costs and a focus on value
- **Income generation and innovation:** CDC and SNC already have a track record of the delivery of major projects to support income generation and innovation to provide new or improved services. Managing income flows (through investment or disposal of assets, generating economic growth or maximising income through fees, charges and added

value services) is increasingly seen as a way of financial self-reliance. Likewise the opportunity to sell services is also becoming a reality with opportunities for councils to maximise flexibility through the use of alternative service delivery models (such as council owned companies).

- Across the sector there are moves towards horizontal integration through the use of combined authorities and economic prosperity boards. These groupings aim to drive sub regional collaboration (and efficiencies) through forms of joint working specifically in relation to economic growth and infrastructure - there are also similar moves in the health and social care sectors, for example the Better Care Fund. The CDC/SNC confederation model proposed in the business case could work well within the context of the Buckinghamshire, Northamptonshire and Oxfordshire Combined Authority proposals as district co-operation would serve to complement any cross-county collaboration. The ability to collaborate within this wider context is a key management requirement.

3. Management Principles and Requirements

As noted above, the delivery of business as usual (i.e. the councils' services and business plans) is essential. However, as the joint working transformation programme progresses it is clear that some form of senior management arrangements are required to ensure that the programme meets its objectives including a contribution to resolving the deficits as set out in both council's medium term financial strategies.

Transformation Programme Objectives

- Reduction in the costs of senior management
- Implementation of joint working arrangements (all services are in scope)
- Implementation of business process and policy change to ensure joint working is effective, service delivery performance is maintained and efficiency savings are realised
- That the management team is also able to explore options for income generation and further collaborative opportunities with potential partners to widen the confederation.

To meet both councils' business as usual and transformational objectives outlined above the following design principles are proposed:

- **Corporate:** All frontline services would be grouped together, as would support services.
- **Commercial:** There is a clear role for commercial development, asset management, innovation and income generation. Management of transition, transformation, organisational development and major (change) projects also falls within this area.

- **Strategic capacity:** enhanced capacity with a role to focus on strategy and commissioning. This ensures the councils remain policy driven and focused on their objectives; the role leads on reputation management, advocacy for the councils, strategic partnerships and the key policy areas within the councils.
- **Flatter and flexible:** this will ensure spans of control will be maximised with fewer hierarchical tiers of management in place. The structure remains familiar and easily understood.

4. Implementation

If the general principles and proposals as set out within this document are agreed, an implementation plan would be developed (including a management structure) and the process led by the Joint Personnel Committee/Joint Committee in line with the existing organisational change policy. There is an immediate need for additional management resources to provide additional capacity and to bring in the skills as identified in the workforce development plan. Two appointments will be made on a temporary basis, the first appointment to provide commercial experience and focus and the second to contribute to the leadership of transformation. Funding for these posts is available from existing budgets.

5. Conclusion

This paper outlines the key principles required to underpin a new joint management structure that will increase the pace of the transformation agenda and enable the delivery of the business case whilst retaining a strong focus on current service delivery.



Appendix E: Draft – Joint Committee Terms of Reference

Joint Commissioning Committee

The Joint Commissioning Committee is established pursuant to the Section 113 agreement between Cherwell District Council and South Northamptonshire Council dated 9 December 2010 as amended by Deeds of Variation dated 28 July 2011 and xxxxx 2015 and the final shared services and confederation business case approved by both Councils on xxxxx and xxx 2015.

The Joint Commissioning Committee's remit is to have overall responsibility for the provision, to the adopting councils, of shared services arrangements both in respect of services the Councils have direct responsibility for and services provided to the Councils via the confederation company and its delivery units (if established).

Membership of the Joint Committee is 4 members (who should not be directors of the confederation or its delivery units (if established) from each of the councils, currently this is 4 from Cherwell District Council and 4 from South Northamptonshire Council and will be reviewed if another council was admitted to the shared working programme and confederation (if established). Political balance will apply to the appointment of members by each of the Councils.

The quorum for the committee is four voting members of which at least two must be from Cherwell District Council and two from South Northamptonshire Council.

Functions

- To have responsibility for and to take any decision on staffing matters, (other than those delegated to officers) and any other non-executive decisions function specifically delegated to the committee by the respective councils, for any shared service established for the councils (including those shared services provided via the confederation company and its delivery units if established).
- To have responsibility for and to take any executive decisions (other than those delegated to officers), specifically delegated to it by the respective Executive arrangements of the councils with regard to any shared service established for the councils (including those shared services provided via the confederation company and its delivery units if established).
- To ensure that any shared service meets the requirements of the councils in furthering the objectives of their respective corporate plans.
- To set and monitor performance standards and budgets for shared services, (including those provided by the confederation company and its delivery units if established), providing intervention where required.

- Through their commissioning officers to manage (on behalf of the councils) their contracts and arrangements for service delivery (including with the confederation if established).

Shared Management

In the case of shared Chief Officer posts:

- To act as the interviewing panel for the Head of Paid Service (Chief Executive), making recommendations to the councils for formal appointment.
- To act as the interviewing panel and appoint chief officers (currently Directors and Heads of Service) working across the councils (NB. Anyone involved in the decision for a particular post must be present throughout the entire interview process).
- To appoint a Joint Appraisal Subcommittee composed of 3 councillors from each council, who will be responsible for carrying out the appraisal of the Head of Paid Service (Chief Executive). The Leaders of the councils will not be part of the subcommittee but must be invited to participate. The quorum for the Joint Appraisal Subcommittee shall be 4 councillors of which at least 2 must be from Cherwell District Council and 2 from South Northamptonshire Council.
- To appoint the designated independent person where a complaint of misconduct requires it to be investigated against the Head of Paid Service, Monitoring Officer or Section 151 Officer for either of the councils.

Shared Posts

Where a business case has been agreed by the councils and a decision made to share a service between them (including via the confederation company and its delivery units if established) to:

- Agree posts to be declared 'at risk', and to approve dismissal, including compulsory or voluntary redundancy and the exercise of discretionary awards to any post where costs are shared or are going to be shared.
- Determine the terms and conditions of employment of any posts where costs are shared or are going to be shared.
- Determine and review all policies affecting the employment of staff in posts where costs are shared or going to be shared.
- Approve the creation of new posts where this is an increase to the establishment and there is no budget where costs are shared or are going to be shared.
- Approve any restructuring of teams involving more than five posts where costs are shared or are going to be shared.

Joint Scrutiny Committee

The Joint Scrutiny Committee is established pursuant to the Section 113 agreement between Cherwell District Council and South Northamptonshire Council dated 9 December 2010 as amended by Deeds of Variation dated 28 July 2011 and xxxxx 2015 and the final shared services and confederation business case approved by both Councils on xxxxx and xxxxx 2015.

Membership of the Joint Scrutiny Committee is 5 members from each of the councils, currently this is 5 from Cherwell District Council and 5 from South Northamptonshire Council and would be reviewed if another council was admitted to the shared working programme and confederation company (if established). Political balance will apply to the appointment of members by each of the Councils. No member of the Executive (CDC) or Cabinet (SNC) shall be a member of the committee.

The quorum for the committee is four voting members of which at least two must be from Cherwell District Council and two from South Northamptonshire Council.

Functions

- To receive and scrutinise reports from the Joint Commissioning Officer Group detailing the performance against targets that are included within the Contract and Commissioning Plan and otherwise relating to the services provided through shared services (including via the confederation company and its delivery units, if established), any other major shared contracts, (if entered into), and to be able to challenge internal and external providers and hold members of the shared management team publicly to account.
- To receive and scrutinise reports from the Joint Commissioning Officer Group detailing the financial performance of shared services (including those provided via the confederation company and its delivery units if established) against savings targets detailed in the respective Councils' Budget and Medium Term Financial Strategies.
- To receive and scrutinise change requests and contract variations agreed or proposed between the Joint Commissioning Committee or officers acting under delegated authority and service providers (including the confederation company and its delivery units if established) to include (but not be limited to) the introduction of new key performance indicators, delivery of new commissions via the external delivery units, changes required due to new legislation and commercial development opportunities.
- To engage with partner organisations, other relevant public sector bodies, private sector organisations, trade unions, local residents or any other appropriate witnesses when fulfilling the overview and scrutiny role in relation to the monitoring of contracts for services provided by service providers (including the confederation company and its delivery units if established) .
- To scrutinise decisions of and services reporting to the Joint Commissioning Committee including the commissioning officers

- To apply the Joint Overview and Scrutiny Procedure Rules, including call-in arrangements, when prepared and adopted by the councils.
- To hear any call-in requests with regard to any executive decisions made by the Joint Commissioning Committee.

Joint Councils Employee Engagement Committee

The Joint Councils Employee Consultative Committee is established pursuant to the Section 113 agreement between Cherwell District Council and South Northamptonshire Council dated 9 December 2010 as amended by Deeds of Variation dated 28 July 2011 and xxxxx 2015 and the final shared services and confederation business case approved by both Councils on xxxxx and xxxxx 2015.

Preamble

The Councils recognise the need to ensure that their employees (in shared teams and otherwise) are consulted and have the opportunity raise issues in a timely manner on matters which concern them including:

- Recent and probable developments within the Councils
- The Councils' activities and economic situation
- The situation, structure and probable development of employment within the Councils and any anticipatory measures
- Information and consultation on decisions likely to lead to substantial changes in organisation or contractual relations between the Councils and their employees.

Representation

Cherwell District Council

Council side

3 members of the Council appointed annually by Council

Employee side

3 employee representatives (currently 3 trade union representatives), appointed annually and re appointed on a four yearly basis.

South Northamptonshire Council

Council side

3 members of the Council appointed annually by Council

Employee side

3 employee representatives (currently 3 trade union representatives), appointed annually and are appointed on a four yearly basis.

Substitutes and Casual Vacancies

The Council and Employee sides may appoint substitute representatives to act in the place of members unable to attend any meeting. For the Council side the normal substitution rules shall apply and all substitutes shall be notified to the Head of Law and Governance before the start of the meeting.

Casual vacancies may be filled by either side as and when they occur during the year.

Officer Attendance

The committee shall be supported by the Chief Executive and other officers as he/she deems appropriate. The committee shall be administered by democratic services.

Chairman and Vice-Chairman

A Chairman and Vice Chairman shall be appointed by the committee at the first meeting each year. If the Chairman appointed is a member of the Council side, then the Vice-Chairman shall be appointed from the Employee side and Vice versa. By convention the Chairmanship shall rotate between sides and councils each year.

Functions

To provide a formal opportunity for the Councils to inform and consult their employees on those matters that concern them including the matters set out in the preamble above.

To establish regular methods of negotiation and consultation between the Councils and their employees in order to prevent differences and disputes and to negotiate on any differences and disputes. No question of individual discipline, capability, promotion or efficiency shall be within the scope of the committee.

To consider any relevant matter referred to it by the Joint Commissioning Committee, a committee of either of the Councils, the Chief Executive, employee side or by any of the recognised staff organisations.

To make recommendations to the Chief Executive, committees and Councils as required.

To act as the joint consultation body on all matters relating to health, safety and welfare of employees in accordance with the Health and Safety Policy Statement.

To discharge such other functions as may be specifically assigned to the committee by the Councils.

Rules and Regulations

Provision shall be made within the council diary for meetings of the committee prior to meetings of the Joint Commissioning Committee, Appointments and Personnel Committee (SNC) and Personnel Committee (CDC) respectively.

The Chairman or Vice-Chairman may require the Chief Executive to call a special meeting at any time. A special meeting may also be called on receipt of a requisition to the Chief Executive, signed by not less than two members of either side. When a special meeting is called it shall be convened as soon as practicable.

The quorum shall be three representatives of the council side of which 1 must be from CDC and 1 from SNC, and three representatives from the employee side of which 1 must be from CDC and 1 from SNC, substitute representatives will be permitted.

No resolution shall be regarded as carried unless it has been approved by a majority of the members present on each side of the committee.

The agenda shall be drawn up following consultation with the Chief Executive and the Council and Employee sides on potential agenda items.

The constitution of the committee may be amended by the councils on the recommendation of the committee.

In recognition of the fact that some issues under discussion are likely to be of a confidential or commercially sensitive nature, all those attending committee meetings are expected to respect the confidential nature of such issues and to confine their comments and discussion to within the meeting itself. This restriction does not preclude staff side representatives from consulting their members or paid officers (if any) on appropriate issues.

Reasonable facilities, including time with full pay, shall be made available to employee side members to:

- Consult with management, including the Chief Executive
- Consult with employees and trade union officials as part of the consultation process and in preparation for meetings.

End note

In order to establish these committees it will be necessary to amend the Section 113 agreement through a deed of variation agreed by both councils. Following the adoption and sealing of the deed, the dates will be inserted as highlighted above.



Appendix F

Glossary

Term	Meaning
Alternative Service Delivery Vehicle / Model ADV/ADS	A term used to describe a council service that is delivered by setting up a different type of structure or organisation. Examples include setting up a council owned company to run a service or outsourcing the service to a different provider (who may be a private sector contractor or another council). The term covers many different ways of delivering services such as Trusts (for example Leisure Trusts), employee mutuals and arm's length organisations.
Business Case	A document which outlines the costs, savings and benefits of a proposal. Proposals may include sharing services, buying a new piece of ICT equipment or a major business system or process change. Members base their decisions on the way forward on this document.
Business Plan	<p>A plan to develop an organisation, service or business area. Includes priorities, objectives and performance targets. All services should have some form of annual service or business plan mapping out targets for the coming year.</p> <p>For services that have just implemented joint working the business plan should map out new targets, improvement priorities and how business processes will be harmonised.</p>
Collaboration	Two or more parties working together to undertake a project, complete a task and achieve shared goals. Collaboration can be short term, for the duration of a specific project or longer term such as two councils jointly letting a major contract, sharing a management team or a single post.
Confederation	<p>A long term partnership between a group of councils (or other bodies) to work together with the aim of ensuring local council services are delivered as cost effectively as possible.</p> <p>Councils in the Confederation remain independent and sovereign but can opt to participate in joint working; they may share senior officers or jointly commission a service.</p>
Commission	To set out a service that the council requires and decide how that service will be provided. For example agreeing that the council needs a waste collection service, deciding how that waste will be collected (weekly/daily/boxes/bins) and then looking at options for the best way to deliver that service, for example in house or contracted out.
Co-ordinating Entity/Company	A body that has been authorised by the Councils to source and manage the delivery of services that the councils which to collaborate on. This entity could be established in a number of ways including being set up as an arm's length company or as a council committee.

Term	Meaning
Culture	Often described as ‘the way we do things here’ organisational culture is the term used to describe normal and expected behaviours, values, attitudes and practices within a team or organisation. Transformation or change programmes usually aim to disrupt, amend or set out new values. An example of this could be a new focus on the customer or shifting to a mindset that is focused on quality or reducing cost.
Democratic Accountability	Councils doing things in response to what residents want and being subject to an election as judgement on their performance to continue in their role.
Feasibility Study	An assessment of the practicality of a proposed plan or method, for example a short review exploring whether joint working in a specific service area is possible.
Governance	<p>The system of rules, practices, authorisations and processes by which the council is directed and controlled.</p> <p>Governance is also used in relation to programmes and projects and again means the rules by which the project is delivered.</p> <p>The rules, practices and processes we establish to run the councils or major projects must be compliant with the law.</p>
Harmonisation	<p>Adjustment of differences and inconsistencies to make them uniform or mutually compatible. Often used in relation to ICT for example ‘harmonising business systems’ which means partner organisations moving towards using the same software. By using the same software and business processes we can save money initially by buying the software or system as a group and sharing training and implementation costs. Further cost savings can be achieved by having the same processes for dealing with tasks e.g. applications.</p> <p>Harmonisation can also refer to more general working practices, processes and terms and conditions. For example when councils move towards joint working issues such as different working hours or flexi polices have to be considered.</p>
Incentivising	To provide an organisation, team or individual with a good reason for wanting to do something. For example performance related pay, discounts for prompt payment.
Innovation	A new idea to significantly improve a service or offer a new service or product. Innovation includes ideas generation AND the process by which that idea is implemented.
JASG	Joint Arrangements Steering Group. A working group comprised of five Councillors from each partner Council who shape the direction for joint working. The group meets approximately six times a year, rotates location and is chaired by one of the council leaders. The group is not a formal decision making body but reviews business cases and opportunities for joint working and makes recommendations to the Councils for consideration.
Options appraisal	A review of the different options available and a consideration of the pros and cons of the different options.

Term	Meaning
Outsourcing	The contracting out of a service to a third-party. For example paying a company to collect waste on behalf of the council.
Procurement	The process of obtaining or buying products, goods or services.
Public Sector Mutuels	'Public Service Mutuels' are organisations that have left the public sector but continue delivering public services. They are usually employee and service user-led.
SLA	A Service Level Agreement is part of a service contract where the service provided is formally defined so that the client knows what they will receive and the service knows the standard at which they must work.
Sovereignty	Retained authority and independence or power. Important when councils are working together. Each council retains power over its policies, budgets and strategies and can choose to collaborate with another council to deliver its services.
Spin-out	If a service is 'spun-out' it becomes an independent and different type of organisation. It may have a contract with the council but is also allowed to have contracts with other councils and provide services to other organisations. The council could retain a share in a spun out service.
TCA	Transformation Challenge Award – funding from central government to support transformation projects. As three councils we were successful in receiving funding (£366k) to establish our transformation programme in 2013.
Teckal	A legal position that allows a company owned and controlled by the council (or a group of councils) to sell its services to those councils without being subject to tender.
Tender	Part of the procurement process where the council(s) specify a service or product that they would like to buy and invite bids from providers. The buyer evaluates the bids and awards a contract taking into account price and quality.
TJWG	Transformation Joint Working Group. The board for the three way Transformation Programme, made up of two Executive/Cabinet Members from each of the three Councils. The group does not make formal decisions on behalf of the councils but ensures that all the work undertaken by the Transformation Team is in line with Member expectations.
Transformation	A significant change to the way an organisation conducts all or part of its business.
TUPE	Stands for Transfer of Undertakings (Protection of Employment) Regulations, which guarantee employees' terms and conditions during a transfer of ownership.

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Appendix 3: Draft Minutes from Council Meetings (December 2014)

Cherwell District Council Minutes 15/12/14 (Draft)

Minutes of a meeting of the Council held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 15 December 2014 at 6.30 pm

55 Developing the Approach to Joint Working and the Delivery of Local Authority Service Draft Business Case

The Chief Executive submitted a report which presented the draft business case for a shared service and/or confederated approach to joint working and the delivery of local authority services following consideration by the three way Joint Arrangements Steering Group (JASG) on 27 November 2014 and the recommendation of Executive on 15 December 2014.

Councillor Woodcock proposed that a recorded vote be taken. Councillor Beere seconded the proposal. Members voted as follows:

Councillor Ken Atack – For	Councillor Mike Kerford-Byrnes – For
Councillor Andrew Beere – Against	Councillor James Macnamara – For
Councillor Claire Bell - Against	Councillor Melanie Magee – For
Councillor Maurice Billington – For	Councillor Kieron Mallon – For
Councillor Fred Blackwell – For	Councillor Nicholas Mawer – For
Councillor Norman Bolster – For	Councillor Nigel Morris – For
Councillor Ann Bonner – For	Councillor D M Pickford – For
Councillor Mark Cherry – Against	Councillor Nigel Randall – For
Councillor Surinder Dhesi – Against	Councillor G A Reynolds – For
Councillor John Donaldson – For	Councillor Barry Richards - Against
Councillor Andrew Fulljames – For	Councillor Alaric Rose – For
Councillor Michael Gibbard – For	Councillor Daniel Sames – For
Councillor Carmen Griffiths - For	Councillor Les Sibley – For
Councillor Tim Hallchurch MBE – For	Councillor Lawrie Stratford – For
Councillor Simon Holland – For	Councillor Rose Stratford – For
Councillor Alastair Milne Home – For	Councillor Lynda Thirzie Smart – For
Councillor David Hughes – For	Councillor Nicholas Turner – For
Councillor Russell Hurlle – For	Councillor Douglas Webb – For
Councillor Tony Ilott – For	Councillor Douglas Williamson – For
Councillor Ray Jelf – For	Councillor Barry Wood – For
Councillor Matt Johnstone - Against	Councillor Sean Woodcock – Against

Resolved

- (1) That following endorsement by the Cherwell District, South Northamptonshire and Stratford On Avon District Councils Joint Arrangements Steering Group and the Executive meeting of 15 December 2014, subject to South Northamptonshire and Stratford on Avon District Councils resolving in similar terms:
 - I. That an 'in principle' move towards scenarios 2 and/or 4 as set out in the appended business case and its supporting papers (annex to the minutes as set out in the Minute Book) be agreed.
 - II. That it be agreed the appended business case (annex to the minutes as set out in the Minute Book) be used as the basis for public, partner and stakeholder

consultation and, subject to the outcome of that consultation not leading Members to a change of view, request that a full and final business case, taking account of the responses received to this consultation, be brought to the February 2015 Council meeting.

- III. That, agreement be given in principle, and subject to consideration of consultation responses, to include all services within the potential scope of joint working (as set out in the appended business case scenarios 2 and 4, section 6 - annex to the minutes as set out in the Minute Book), subject to prior approval of individual business cases on a service by service basis.
- IV. That, agreement be given in principle, and subject to consideration of any consultation responses, that any moves towards a confederated approach be undertaken on an incremental basis and that the first phase of services considered for inclusion be back office or support services.
- V. That additional tax and pensions advice be sought to ensure that any implementation costs associated with the confederation approach are fully quantified in any final business case.
- VI. That additional legal advice be sought to prepare governance arrangements for scenarios 2 and/or 4. This is to include arrangements such as a shareholders' agreement and exit strategy and the necessary transitional requirements (e.g. steering groups, shadow boards or joint committees) to oversee the establishment of joint working and/or confederation approaches. These proposals should be included as an appendix to any final business case.
- VII. That a full organisational development strategy be developed for adoption to aim to ensure that Members and employees have the requisite skills to operate within a shared service or confederation approach should the final business case be approved.

59 Developing the approach to Joint Working and the Delivery of Local Authority Service Draft Business Case - Exempt Appendices

Resolved

- (1) That the exempt appendices to agenda item 10, Developing the approach to Joint Working and the Delivery of Local Authority Service Draft Business Case, be noted.

South Northamptonshire Council Minutes 17/12/14 (Draft)

Minutes of a meeting of the Council held at Council Offices, Springfields, Towcester, Northants NN12 6AE on Wednesday 17 December 2014 at 5.00 pm.

59. Developing the approach to Joint Working and the Delivery of Local Authority Services Draft Business Case

The Chief Executive submitted a report which presented the draft business case for a shared service and/or confederated approach to joint working and the delivery of local authority services following consideration by the three way Joint Arrangements Steering Group (JASG) on 27 November 2014 and Cabinet on 8 December 2014.

Resolved

- (1) That following endorsement by the Cherwell District, South Northamptonshire and Stratford On Avon District Councils Joint Arrangements Steering Group and the Cabinet meeting of 8 December 2014, and the respective resolutions of Cherwell and Stratford on Avon District Councils that were reported to members in relation to this matter:
 - I. That an 'in principle' move towards scenarios 2 and/or 4 as set out in the appended business case and its supporting papers (annex to the minutes as set out in the Minute Book) be agreed.
 - II. That it be agreed the appended business case (annex to the minutes as set out in the Minute Book) be used as the basis for public, partner and stakeholder consultation and, subject to the outcome of that consultation not leading Members to a change of view, request that a full and final business case, taking account of the responses received to this consultation, be brought to the February 2015 Council meeting.
 - III. That, agreement be given in principle, and subject to consideration of consultation responses, to include all services within the potential scope of joint working (as set out in the appended business case scenarios 2 and 4, section 6 - annex to the minutes as set out in the Minute Book), subject to prior approval of individual business cases on a service by service basis
 - IV. That, agreement be given in principle, and subject to consideration of any consultation responses, that any moves towards a confederated approach be undertaken on an incremental basis and that the first phase of services considered for inclusion be back office or support services.
 - V. That additional tax and pensions advice be sought to ensure that any implementation costs associated with the confederation approach are fully quantified in any final business case.
 - VI. That additional legal advice be sought to prepare governance arrangements for scenarios 2 and/or 4. This is to include arrangements such as a shareholders' agreement and exit strategy and the necessary transitional requirements (e.g. steering groups, shadow boards or joint committees) to oversee the

establishment of joint working and/or confederation approaches. These proposals should be included as an appendix to any final business case.

- VII. That a full organisational development strategy be developed for adoption to aim to ensure that Members and employees have the requisite skills to operate within a shared service or confederation approach should the final business case be approved.

67. Developing the approach to Joint Working and the Delivery of Local Authority Services Draft Business Case - Exempt appendices

Resolved

- (1) That the exempt appendices to agenda item 10, Developing the approach to Joint Working and the Delivery of Local Authority Service Draft Business Case, be noted.

Stratford on Avon District Council Minutes 15/12/14 (Draft)

551. Developing the Approach to Joint Working and the Delivery of Local Authority Services

Minutes:

Consideration was given to the recommendations contained in Minute 544 of the meeting of The Cabinet held on 15 December 2014:

During the ensuing debate, it was proposed by Councillor Moore and seconded by Councillor Cheney that the following be added to the recommendations:

IV That the Overview and Scrutiny Committee be asked to review this matter as part of the consultation process as a matter of urgency.

On being put to the vote, the amendment was declared carried.

Individual votes were then taken on the recommendations contained in Minute 544 resulting as follows:

Recommendation I – carried with 1 Councillor voting against
Recommendation II – carried with 1 Councillor voting against
Recommendation III – carried with 6 Councillors voting against and 1 Councillor abstaining

The composite recommendation was then put to the vote and declared carried.

Thereafter, it was

RESOLVED:

That, following a review by the Transformation Joint Working Group of Cherwell District Council, South Northamptonshire Council and Stratford-on-Avon District Council and agreement by the Joint Arrangements Steering Group (JASG), the business case for options to deliver three way joint working was noted and those Chief Officers from all three Councils and the Transformation Team who produced the report were thanked for their work. Accordingly, it was agreed that, subject to Cherwell District and South Northamptonshire Councils resolving in broadly similar terms, Stratford-on-Avon District Council:

- I. agree an 'in principle' move towards scenario 2 as set out in the appended business case and its supporting papers;
- II. agree that the business case be used as a source of information for public, partner and stakeholder consultation and, subject to the outcome of any consultation not leading Members to a change of view, request that a full and final business case, taking account of the responses received to this consultation, be brought to the Council within a timescale endorsed by the Leader and Portfolio Holder; and
- III. agree in principle and subject to consideration of consultation responses to include all services within the potential scope of joint working, subject to prior approval of individual business cases on a service by service basis and that the first phase of services considered for inclusion are back office or support services.

- IV. That the Overview and Scrutiny Committee be asked to review this matter as part of the consultation process as a matter of urgency.

Cherwell District Council

Council

23 February 2014

<p>Proposed changes to the scheme of delegation to the Head of Development Management</p>
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Report of Head of Development Management

This report is public

Purpose of report

To seek the agreement of Council to proposed revisions to the current scheme of delegation to the Head of Development Management as set out in the council's Constitution.

1.0 Recommendations

The meeting is recommended:

- 1.1 To agree the revisions proposed in the Report.
- 1.2 To delegate authority to the Head of Law and Governance to produce a composite version of the scheme of delegation with the equivalent for South Northamptonshire Council so that there is one point of reference for both Councils, as at present.

2.0 Introduction

- 2.1 Officers of Cherwell and South Northamptonshire Councils have undertaken a review of the current scheme of delegation to consider whether it is working effectively and to consider if there would be any benefits from revising the scheme.
- 2.2 The aim of the review was to try and reduce the numbers of applications determined by the relevant Planning Committee in order to enable it to focus on the most significant applications but without compromising quality or the council's corporate objectives.
- 2.3 A detailed report, which will be considered by the Planning Committee on 19th February, is attached, as Appendix A. Comments made at that meeting will be reported verbally at this meeting of Council.

3.0 Report Details

- 3.1 In formulating the proposed revisions the focus has been on the aim of removing certain categories of applications from the need for determination by the Planning Committee to save council time and resources (both councillor and officer) but which at the same time will not compromise the council's decision-making process or its objectives.
- 3.2 The attached report to Planning Committee provides the detailed background and justification for the recommended changes. (See Appendix A)

4.0 Conclusion and Reasons for Recommendations

- 4.1 The categories of applications currently delegated which warranted further investigation and consideration were applications for new buildings of over 1,000sqm, for development on a site of over 1Ha in size, applications affecting the Council's own land or where the Council is the applicant, those submitted by Councillors of CDC and consultations from neighbouring local authorities.
- 4.2 The analysis of these applications and the relevant recommendations can be found in the report to Planning Committee. The revised scheme of delegation proposed is also attached as Appendix 2 to that report.
- 4.3 The proposed revisions are considered to reduce the number of applications determined by the Committee to an acceptable level in order to enable it to focus on the most significant applications. As the report explains it will not compromise quality or the council's corporate objectives.
- 4.4 It is recommended that the revised proposed scheme of delegation as described in Appendix 2 to the report to Planning Committee be agreed.

5.0 Consultation

Councillors Rose Stratford (Chair of Planning Committee) , Colin Clarke (Vice Chairman) , Michael Gibbard (Lead Member for Planning) and Councillor Wood

Jon Westerman; Development Services Manager

Kevin Lane: Head of Law and Governance

All consultees support the referral of this recommendation to the Planning Committee.

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: Retain the current scheme of delegation and make no revisions

This option was rejected as it would not achieve the aims of officers and the Planning Committee to try and reduce the numbers of applications determined by the Committee in order to enable it to focus on the most significant applications but without compromising quality or the council's corporate objectives.

Option 2: Consider alternative revisions

The reasons for the revisions pursued and investigated are set out in the report to Planning Committee. The proposed revisions and the reasons for them are also explained. The revisions put forward are considered the most appropriate to achieve the two main aims as set out above. Any fewer revisions would not have reduced applications being determined by the Committee to a level sufficient to result in a discernible difference and a saving in real terms of the Committee's time. Any more extensive revisions would have conflicted with the aim of the Committee focussing on the more significant applications and achieving corporate objectives.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report. The costs of processing planning applications are met from existing resources.

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

Legal Implications

- 7.2 The proposed changes are considered to represent a reasonable balance between the efficient conduct of Committee meetings and the need for significant applications to be considered in a member forum. Any proposal to delegate applications submitted by Councillors or senior/development management officers would be contrary to good practice guidance on probity in planning and expose the Council to the risk of allegations of impropriety and lack of openness and transparency. I therefore strongly reiterate the advice contained in paragraph 3.7.3 of the report to Planning Committee.

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

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

The key corporate priority linked to this decision is “A District of Opportunity” and in particular, the role of the Development Management Service in the following:

- Securing employment-generating development with necessary transport / other infrastructure;
- Proactively monitoring and enforcing the implementation of new developments to ensure they comply with the relevant permission/approval;
- Meeting local performance targets in terms of speed of determination of all forms of application;

Lead Councillor

Councillor Michael Gibbard, Lead Member for Planning

Document Information

Appendix No	Title
Appendix A	Report of Head of Development Management to Planning Committee, 19 February 2015
Background Papers	
None	
Report Author	Andy Preston, Head of Development Management
Contact Information	Tel: 0300 0030 109 Email: andy.preston@cherwellandsouthnorthants.gov.uk

Cherwell District Council

Planning Committee

19 February 2015

<p>Proposed changes to the scheme of delegation to the Head of Development Management</p>
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Report of Head of Development Management

This report is public

Purpose of report

To seek the agreement of the Planning Committee to proposed revisions to the current scheme of delegation to the Head of Development Management as set out in the council's Constitution.

1.0 Recommendations

The meeting is recommended:

- 1.1 To agree the revisions proposed in the Report.

2.0 Introduction

- 2.1 The current scheme of delegation was introduced in October 2013 and has been operating now for 17 months.
- 2.2 Officers (and officers of South Northamptonshire Council) have undertaken a review of the current scheme to consider whether it is working effectively and to consider if there would be any benefits from revising the scheme.
- 2.3 The aim of the review was to try and reduce the numbers of applications determined by the Committee in order to enable it to focus on the most significant applications but without compromising quality or the council's corporate objectives.
- 2.4 The review was also intended to help expedite the progress of applications to help meet corporate targets for all types of applications and to use the department's resources as efficiently as possible, similarly without compromising quality or the council's corporate objectives. It is imperative to use the council's resources as efficiently as possible. Applications presented to the Committee for determination involve greater officer resources than delegated applications. The reports are generally more detailed and therefore take longer to prepare, there is an administration process involved with taking applications to committee that is not

necessary for delegated applications, there is preparation time for presentation to the Committee and Chairman's briefing before the meeting and there is the time spent attending the Committee itself. This time impacts not only on the speed the particular application being presented to the Committee is determined but the speed at which all other applications are also then determined.

- 2.5 In formulating the proposed changes discussions have taken place with;
- Leader of the Council; Chairman and Vice Chairman of the Planning Committee, and Lead Member for Planning
 - Head of Law and Governance
- 2.6 If the Planning Committee resolves to agree the proposed changes then the proposed revisions to the council's Constitution will be considered by Full Council.
- 2.7 A copy of the current scheme of delegation is attached as Appendix 1 to this report.
- 2.8 A copy of the proposed scheme of delegation is attached as Appendix 2 to this report.

3.0 Report Details

- 3.1 In formulating the proposed revisions the focus has been on the aim of removing certain categories of applications from the need for determination by the Committee to save council time and resources (both councillor and officer) but which at the same time will not compromise the council's decision-making process or its objectives.
- 3.2 Firstly, those applications which are currently NOT delegated and which it was considered should remain with the Committee for determination were removed from further consideration. This included;
- Applications for more than 10 dwellings (except for minor material amendments and the variations and removal of conditions)
 - Departures from the Development Plan
 - Applications called in by Councillors
 - Applications submitted by Officers of CDC with management responsibility in a personal capacity or by Officers of CDC employed in the Development Management Service
 - Applications submitted by a member of staff or Councillor of CDC acting as agent or advisor or consultant
 - Applications referred by the Head of Service.
- 3.3 The categories of applications currently delegated which warranted further investigation and consideration were therefore the following;
- Applications for new buildings where the floorspace to be created is more than 1,000 sqm
 - Applications for development on a site of over 1Ha in size

- Applications affecting the Council's own land or where the Council is the applicant (other than applications for works to trees)
- Applications submitted by Councillors of CDC (other than applications relating to works to trees)
- Consultations from neighbouring local authorities (including County Councils) that are Major applications (as defined), including the winning and working of minerals or the use of land for mineral-working deposits and waste developments (unless referral to Committee would take the Council's response outside the time period given for the response by the consulting authority)

3.4 Applications for new buildings where the floorspace to be created is more than 1,000 sqm

3.4.1 These applications are currently referred to the Committee because they are classed as 'major' applications in the Town and County Planning (Development Management Procedure) (England) Order 2010. During 2014 around fifteen applications were referred because they fell within this category. (Officer Note: some applications fall within more than one category so may be accounted for twice).

3.4.2 The possibility of revising this floorspace limit up to 5,000 sqm was considered but subsequently discounted. This was because 1,000sqm is a significant and large building and it was considered that developments on this sort of scale should be referred to the Committee for consideration, albeit that it will occasionally include large agricultural buildings which are an increasingly common feature of our landscape. Development of this scale can have significant visual and other impacts. The types of buildings range across; agricultural buildings, a care home, commercial buildings, a grain store and a training facility.

3.4.3 **It is therefore recommended that there is no change to the current scheme in this respect.**

3.5 Applications for development on a site of over 1Ha in size

3.5.1 This category accounts for the largest number of applications presented to the Committee in 2014. These applications too are currently referred to the Committee because they are classed as 'major' applications in the Town and County Planning (Development Management Procedure) (England) Order 2010.

3.5.2 During 2014, 29 applications were referred because they fell within this category. However, as noted above, some applications fall within more than one category so may be accounted for twice. This is particularly true in this case. For example, the majority of the applications for more than 10 dwellings are on a site over 1ha in area and these would still be referred to Committee as the housing number threshold would remain unchanged. From analysis of the 2014 Committee agendas it would appear that as many as 32 applications may be in this category, and capable of being removed from the need to be dealt with at Committee.

3.5.3 This category relates solely to the application site area, rather than specifically to the size of the development proposed (unlike that in 3.4 above). Therefore a large number of these applications actually propose what would ordinarily be considered

'minor' development but which by virtue of the drawing of the red application site boundary result in a referral to the Committee.

- 3.5.4 The types of applications include; hardstandings, fencing of existing pony paddocks, changes of use of land (examples include to recreational use and equestrian use), small agricultural buildings and stables, portacabins, new access roads and tracks and extensions of time.
- 3.5.5 These are generally minor, less controversial, developments yet due to the volume of applications they take up a significant amount of the Committee's time. It is not considered that delegating these types of applications would affect the quality of the decision or impact adversely on the council's corporate objectives yet it would free up a significant amount of time to allow the Committee to focus on the larger, more controversial applications where value can be more readily added.
- 3.5.6 It should also be noted that the councillor call-in procedure will be unaffected by these proposed changes, as will the opportunity for the Head of Service to refer applications to the Committee. Therefore there will always be a 'safety net' if these types of applications are not 'automatically' referred to the Committee.
- 3.5.7 **The recommendation is therefore that applications for development on a site of over 1Ha in size are no longer referred to the Committee as a matter of course but are delegated to the Head of Development Management.** With one exception; some of the applications referred for this reason were for large scale renewable energy schemes (wind farms or solar farms). **It is therefore also recommended that there is an addition to the scheme of delegation and that is applications for commercial renewable energy schemes which will NOT be delegated to the Head of Service.** This would include all free standing wind turbines and all free standing solar panels other than householder schemes.
- 3.6 Applications affecting the Council's own land or where the Council is the applicant (other than applications for works to trees)
- 3.6.1 In 2014, 11 applications within this category were determined by the Committee. Whilst it is considered appropriate in principle for applications affecting the council's land or where the council is the applicant to be considered by the Committee, there are occasions where minor applications of no contention are referred to the Committee which could be as effectively and expeditiously determined under delegated authority.
- 3.6.2 Some of the applications in this category related to applications for signs or public information boards (Members may recall dealing with applications for adverts at Pioneer Square, Bicester for example). It is not considered that applications of this type need to be referred or that such referral adds quality to the decision-making process commensurate with the time that is taken to process them in this way.
- 3.6.3 **It is therefore recommended that applications affecting the Council's own land or where the Council is the applicant will only be presented to the Committee for determination if they are NOT applications for works to trees, advertisements or for public information purposes.** In all other cases they will be determined by the Committee and will NOT be delegated.

- 3.6.4 It should also be noted that the councillor call-in procedure will be unaffected by these proposed changes, as will the opportunity for the Head of Service to refer applications to the committee. Therefore there will always be a 'safety net' if these types of applications are not 'automatically' referred to committee.
- 3.7 Applications submitted by Councillors of CDC (other than applications relating to works to trees)
- 3.7.1 Consideration was given to whether there could be changes made to the need to refer ALL of these types of applications to the Committee. Last year only a small number of such applications were referred. Many of which raised no objections by third parties.
- 3.7.2 Consideration was given to whether it would be appropriate to delegate these types of applications UNLESS they were recommended for approval and objections on planning grounds had been made. This would then still enable transparent consideration of applications in the event that objections were received.
- 3.7.3 Advice was sought from the Head of Law and Governance, and council's Monitoring Officer, on the matter and the advice was that this would be contrary to established good practice on probity and would also necessitate the need for an amendment to the Good Practice Guidance on Planning Matters.
- 3.7.4 **In light of this advice it is therefore recommended that there is no change to the current scheme in this respect.**
- 3.8 Consultations from neighbouring local authorities (including County Councils) that are Major applications (as defined), including the winning and working of minerals or the use of land for mineral-working deposits and waste developments, unless referral to Committee would take the Council's response outside the time period given for the response by the consulting authority.
- 3.8.1 In 2014 these accounted for 11 applications. Presenting these applications to the Committee can be challenging because of the timescales this council has to respond to the consultations (usually only 21 days unless exceptions can be negotiated).
- 3.8.2 They are also consultations and so the council is responding as consultee rather than having decision-making authority.
- 3.8.3 It is right that on the major applications there should be councillor involvement in the consultation process. However, it is considered that there are ways of achieving this which are preferable to referral to the Committee given the timing challenges faced by officers and concerns expressed by the Committee about the length of some meetings/agendas.
- 3.8.4 **It is therefore recommended that these types of applications/consultations should be delegated to the Head of Service SUBJECT TO the case officer liaising in advance of the decision being issued with the Chair of the Planning Committee and the relevant ward councillor(s) affected.** This would include councillors of adjoining wards where the site is outside Cherwell.

- 3.8.5 This would allow the response to be made within the timescales given, would save the Committee's time but would ensure that there was an appropriate level of councillor involvement in the response that is issued.
- 3.8.6 It should also be noted that the councillor call-in procedure will be unaffected by these proposed changes, as will the opportunity for the Head of Service to refer applications to the committee. Therefore there will always be a 'safety net' if these types of applications are not 'automatically' referred to committee where timescales allow.

4.0 Conclusion and Reasons for Recommendations

- 4.1 Officers have undertaken a review of the current scheme of delegation to consider whether it is working effectively and expeditiously and to consider if there are any benefits from revising the scheme.
- 4.2 The aim of the review was to try and reduce the numbers of applications determined by the Committee in order to enable it to focus on the most significant applications but without compromising quality or the council's corporate objectives.
- 4.3 There are applications which are currently NOT delegated and which it was considered should remain with the Committee for determination and which were removed from further consideration (see para 3.2 above)
- 4.4 The categories of applications currently delegated which warranted further investigation and consideration were applications for new buildings of over 1,000sqm, for development on a site of over 1Ha in size, applications affecting the Council's own land or where the Council is the applicant, those submitted by Councillors of CDC and consultations from neighbouring local authorities.
- 4.5 The analysis of these applications and the relevant recommendations can be found in the above report. The revised scheme of delegation proposed is attached as Appendix 2.
- 4.6 It is recommended that the revised proposed scheme of delegation as attached as Appendix 2 to this report is agreed by the Planning Committee for referral to Full Council for further consideration.
- 4.7 The revised scheme of delegation would result (using 2014 data) in a reduction of circa 42 applications being referred to the Committee overall which over 13 committee meetings is approximately 3 per committee meeting on average.
- 4.8 The proposed revisions are therefore considered to reduce the number of applications determined by the Committee to an acceptable level in order to enable it to focus on the most significant applications. However, as the report explains it will not compromise quality or the council's corporate objectives.

5.0 Consultation

Councillors Rose Stratford (Chair of Planning Committee) , Colin Clarke (Vice Chairman) , Michael Gibbard (Lead Member for Planning) and Councillor Wood

Jon Westerman; Development Services Manager

Kevin Lane: Head of Law and Governance

All consultees support the referral of this recommendation to the Planning Committee.

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: Retain the current scheme of delegation and make no revisions

This option was rejected as it would not achieve the stated aims of officers and the Planning Committee to try and reduce the numbers of applications determined by the Committee in order to enable it to focus on the most significant applications but without compromising quality or the council's corporate objectives.

Option 2: Consider alternative revisions

The reasons for the revisions pursued and investigated are set out in the report. The proposed revisions and the reasons for them are also explained. The revisions put forward are considered the most appropriate to achieve the two main aims as set out above. Any fewer revisions would not have reduced applications being determined by the Committee to a level sufficient to result in a discernible difference and a saving in real terms of the Committee's time. Any more extensive revisions would have conflicted with the aim of the Committee focussing on the more significant applications and achieving corporate objectives.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no financial implications arising directly from this report. The costs of processing planning applications are met from existing resources.

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

Legal Implications

- 7.2 The proposed changes are considered to represent a reasonable balance between the efficient conduct of Committee meetings and the need for significant applications to be considered in a member forum. Any proposal to delegate applications submitted by Councillors or senior/development management officers would be contrary to good practice guidance on probity in planning and expose the Council to the risk of allegations of impropriety and lack of openness and transparency. I therefore strongly reiterate the advice contained in paragraph 3.7.3 above.

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

8.0 Decision Information

Wards Affected

All

Links to Corporate Plan and Policy Framework

The key corporate priority linked to this decision is “A District of Opportunity” and in particular, the role of the Development Management Service in the following:

- Securing employment-generating development with necessary transport / other infrastructure;
- Proactively monitoring and enforcing the implementation of new developments to ensure they comply with the relevant permission/approval;
- Meeting local performance targets in terms of speed of determination of all forms of application;

Lead Councillor

Councillor Michael Gibbard, Lead Member for Planning

Document Information

Appendix No	Title
Appendix 1	Current scheme of delegation to the Head of Development Management
Appendix 2	Proposed scheme of delegation to the Head of Development Management
Background Papers	
None	
Report Author	Bob Duxbury Development Control Team Leader
Contact Information	01295 221821 Bob.duxbury@cherwell-dc.gov.uk

Appendix 1

Current scheme of delegation to the Head of Development Management

Planning

To determine applications for:

- Planning permission (outline and full)
- Reserved matters approval
- Extensions of time
- Listed building consent
- Conservation area consent
- Advertisement consent
- Variations/removal of conditions
- Discharge of conditions
- Minor material amendments
- Non material amendments
- Certificates of lawfulness for an existing use or development
- Certificates of lawfulness for a proposed use or development
- Certificates of appropriate alternative development
- Applications under the Hedgerow Regulations
- Works to trees protected by a Tree Preservation Order
- All forms of deemed applications (arising from enforcement action)

Apart from the following:

1. All Major applications (full and outline) except for minor material amendments and the variations and removal of conditions.

Major applications would be defined as;

- Applications for 10 or more dwellings
- Applications for new buildings where the floorspace to be created is over 1000sqm
- Any development on a site over 1ha in size

2. All recommendations to approve a significant departure from the adopted development plan or other Council approved policies and/or strategies

3. Whether an application is considered to be a 'significant' departure will be determined by the Head of Development Management (or the line manager that reports to the Head of Development Management) in consultation with the Chairman of the Planning Committee (or Vice Chairman in the Chairman's absence).

When deciding if any departure is 'significant' the criteria that will be considered will include, but not be limited to, the following;

- All relevant policies in the development plan and whether the policies are up to date
- Other CDC policies, guidance and strategies
- Government policy

- Scale and type of development
- Site history
- Whether conditions or a legal agreement could address any potential conflict

4. Applications called in by a member of the Council within 21 days of the registration of an application

- The call in request must be for material planning reasons
- The request must be made within 21 calendar days of the registration of the application as valid (the day after registration to count as day one)
- The request must be made in writing by letter or email
- The request must be sent to the Head of Development Management (or the line manager that is responsible for Development Management and reports to the Head of Development Management) and the Chairman of the Planning Committee
- The request MUST contain all the relevant information

On receipt of the call-in request the Head of Development Management (or the line manager that reports to the Head of Development Management and is responsible for Development Management) will either agree, or refuse, the request in consultation with the Chairman of the Planning Committee (Vice Chairman in the Chairman's absence). The criteria for deciding whether to allow a call-in request will include, but not be limited to,

- whether material planning reasons have been supplied,
- views of parish or town council,
- level of public interest,
- scale and type of development,
- site history,
- statutory time frame for decision,
- relevant development plan policies, council guidance and strategies
- whether the committee could legitimately reach another conclusion than the one reached by officers and/or the extent to which they are considered to have the potential to "add value" to the final scheme.

The councillor who called in the application is encouraged to attend, or send another nominated member to speak

5. Applications submitted by;

- Any Officers of CDC with management responsibility in a personal capacity
- Officers employed in the Development Management Service
- Councillors of CDC (other than applications relating to works to trees)
- A member of staff or Councillor of CDC acting as agent or advisor or consultant

where in any case the Council determining the application is the Council of which the relevant person is an officer or member

6. Applications affecting the Council's own land or where the Council is the applicant (other than applications for works to trees)

7. Any application which the Head of Development Management considers should be referred to Planning Committee in consultation with the Chairman (Vice Chairman in the Chairman's absence) because of its controversy or significance.

When deciding if an application is controversial or significant, the criteria that will be considered will include, but not be limited to, the following;

- Consultation responses
- Representations
- Level of public interest
- Relevant development plan and other Council policies, guidance and strategies
- Government policy
- Scale and type of development
- Site history
- Whether Planning Committee could realistically and legitimately take a different view from the officer's recommendation and/or the extent to which they are considered to have the potential to 'add value' to the final scheme.

To determine the following;

- All notifications, determinations and prior approval applications (which include those proposals relating to agricultural developments, telecommunications, demolition of buildings, electricity board works and the removal of public pay phones)
- All requests for screening opinions
- All requests for scoping opinions
- All requests and applications for revisions to s.106 agreements
- All consultations from the County Council and neighbouring local authorities that are not Major applications
- Works to trees in conservation area
- Applications for Hazardous Substances Consent

Apart from the following:

All consultations from neighbouring local authorities (including County Councils) that are Major applications (as defined above), including the winning and working of minerals or the use of land for mineral-working deposits and waste developments, unless referral to Committee would take the Council's response outside the time period given for the response by the consulting authority.

Appendix 2

Proposed scheme of delegation to the Head of Development Management

Planning

To determine applications for:

- Planning permission (outline and full)
- Reserved matters approval
- Extensions of time
- Listed building consent
- Conservation area consent
- Advertisement consent
- Variations/removal of conditions
- Discharge of conditions
- Minor material amendments
- Non material amendments
- Certificates of lawfulness for an existing use or development
- Certificates of lawfulness for a proposed use or development
- Certificates of appropriate alternative development
- Applications under the Hedgerow Regulations
- Works to trees protected by a Tree Preservation Order
- All forms of deemed applications (arising from enforcement action)

Apart from the following:

1. All Major applications (full and outline) except for minor material amendments and the variations and removal of conditions.

Major applications would be defined as;

- Applications for 10 or more dwellings
- Applications for new buildings where the floorspace to be created is over 1000sqm
- Applications for commercial (non-householder) renewable energy schemes. Including single wind turbines.

2. All recommendations to approve a significant departure from the adopted development plan or other Council approved policies and/or strategies

3. Whether an application is considered to be a 'significant' departure will be determined by the Head of Development Management (or the line manager that reports to the Head of Development Management) in consultation with the Chairman of the Planning Committee (or Vice Chairman in the Chairman's absence).

When deciding if any departure is 'significant' the criteria that will be considered will include, but not be limited to, the following;

- All relevant policies in the development plan and whether the policies are up to date
- Other CDC policies, guidance and strategies

- Government policy
- Scale and type of development
- Site history
- Whether conditions or a legal agreement could address any potential conflict

4. Applications called in by a member of the Council within 21 days of the registration of an application

- The call in request must be for material planning reasons
- The request must be made within 21 calendar days of the registration of the application as valid (the day after registration to count as day one)
- The request must be made in writing by letter or email
- The request must be sent to the Head of Development Management (or the line manager that is responsible for Development Management and reports to the Head of Development Management) and the Chairman of the Planning Committee
- The request MUST contain all the relevant information

On receipt of the call-in request the Head of Development Management (or the line manager that reports to the Head of Development Management and is responsible for Development Management) will either agree, or refuse, the request in consultation with the Chairman of the Planning Committee (Vice Chairman in the Chairman's absence). The criteria for deciding whether to allow a call-in request will include, but not be limited to,

- whether material planning reasons have been supplied,
- views of parish or town council,
- level of public interest,
- scale and type of development,
- site history,
- statutory time frame for decision,
- relevant development plan policies, council guidance and strategies
- whether the committee could legitimately reach another conclusion than the one reached by officers and/or the extent to which they are considered to have the potential to "add value" to the final scheme.

The councillor who called in the application is encouraged to attend, or send another nominated member to speak

5. Applications submitted by;

- Any Officers of CDC with management responsibility in a personal capacity
- Officers employed in the Development Management Service
- Councillors of CDC (other than applications relating to works to trees)
- A member of staff or Councillor of CDC acting as agent or advisor or consultant

where in any case the Council determining the application is the Council of which the relevant person is an officer or member

6. Applications affecting the Council's own land or where the Council is the applicant (other than applications for works to trees, advertisements or for public information purposes)

7. Any application which the Head of Development Management considers should be referred to Planning Committee in consultation with the Chairman (Vice Chairman in the Chairman's absence) because of its controversy or significance.

When deciding if an application is controversial or significant, the criteria that will be considered will include, but not be limited to, the following;

- Consultation responses
- Representations
- Level of public interest
- Relevant development plan and other Council policies, guidance and strategies
- Government policy
- Scale and type of development
- Site history
- Whether Planning Committee could realistically and legitimately take a different view from the officer's recommendation and/or the extent to which they are considered to have the potential to 'add value' to the final scheme.

To determine the following;

- All notifications, determinations and prior approval applications (which include those proposals relating to agricultural developments, telecommunications, demolition of buildings, electricity board works and the removal of public pay phones)
- All requests for screening opinions
- All requests for scoping opinions
- All requests and applications for revisions to s.106 agreements
- All consultations from the County Council and neighbouring local authorities that are not Major applications
- Works to trees in conservation area
- Applications for Hazardous Substances Consent
- All consultations from neighbouring local authorities (including County Councils) that are Major applications SUBJECT TO the relevant case officer consulting with the Chairman of Planning Committee (or the Vice-Chairman in his absence) and relevant Ward Councillor(s) (including adjoining Wards as considered necessary) in advance of a response being issued. The case officer will notify the Chairman of Planning Committee and relevant Ward Members of the date of the Committee meeting at which the adjoining authority/county council will be considering the application.

**** REPORT ATTACHED FOR INFORMATION ONLY ****
**** REPORT TO COUNCIL TO FOLLOW ****

Cherwell District Council

Planning Committee

19 February 2015

Public Speaking at Planning Committee and Members' Planning Code of Conduct

Report of Head of Law and Governance

This report is public

Purpose of report

To consider minor amendments to the procedure for requests by the public to address the Planning and to consider a proposed Members' Planning Code of Conduct to replace the current Good Practice Guidance on Planning Matters contained in Part 3 of the Constitution.

1.0 Recommendations

The meeting is recommended:

- 1.1 To recommend to Full Council the minor amendments to the procedure for requests by the public to address the Planning Committee (Appendices 1 and 2).
- 1.2 To recommend to Full Council that the Members' Planning Code of Conduct (Appendix 3) and Bias and Predetermination: A Guidance Note for Members (Appendix 4) be adopted.

2.0 Introduction

- 2.1 In 2009 the Council agreed to introduce public speaking at Planning Committee. The original procedure was reviewed and amended with the current public speaking procedure being implemented from May 2010. The scheme has proved largely successful and applicants, objectors and supporters have taken advantage of their right to address the Committee. Despite the success of the scheme, there are some minor points within the procedure rules which are a little unclear and minor amendments are proposed to provide clarification for elected members and members of the public.
- 2.2 The Members' Planning Code of Conduct has been produced to replace the current Good Practice Guidance on Planning Matters to reflect the changes to the Members'

Code of Conduct in 2012 and the current legal position on the subject of bias and predetermination. The proposed Code is based on a Model Code which was prepared by the former Association of Council Secretaries and Solicitors and supplements the Members' Code of Conduct. It has been drafted collectively by the monitoring officers in Oxfordshire and a similar version has been adopted or will be recommended for adoption by Oxfordshire County Council and City and District Councils elsewhere in the County.

3.0 Report Details

Public Speaking at Planning Committee

- 3.1 Appendix 1 sets out an annotated copy of the current procedure for Requests by the public to address the Planning Committee detailing the proposed minor amendments.
- 3.2 Appendix 2 sets out an annotated copy of the current text of the leaflet "How to have your say at planning meetings" detailing the proposed changes.
- 3.3 The proposed changes to the public speaking are minor and intended to provide clarification for elected members and members of the public and cover:
 - Speaking arrangements of applications that are deferred
 - Deleting the procedure for Planning Committee members with an interest in an application which is no longer applicable under the current Code of Conduct
 - Deletion of the restriction on allowing an individual to only speak once at a meeting on one application
 - The arrangements for registering to speak, which will no longer need to be a written request

Members' Planning Code of Conduct

- 3.4 The current Planning Matters – Good Practice Guidance for Members and Officers (Section 3.5 of the Council's Constitution) has not been reviewed since the implementation of the current Code of Conduct in October 2012 and therefore the two Codes are not wholly compatible.
- 3.5 The Oxfordshire Monitoring Officers' reviewed the Members' Planning Code of Conduct and agreed to submit the version attached at Appendix 3 (subject to minor amendments to reflect each authority) to their respective councils for consideration for adoption.
- 3.6 The proposed Members' Planning Code of Conduct is based on a Model Code which was prepared by the former Association of Council Secretaries and Solicitors, supplements the Members' Code of Conduct; and applies to Members at all times when involving themselves in the planning process, at less formal occasions such as meetings with officers or the public and at consultative meetings and to both planning application matters and to enforcement matters.
- 3.7 The proposed Cherwell District Council version of the Members' Planning Code of Conduct removes the existing allowance for elected members who are not trained

to participate in two Planning Committee meetings whilst the necessary training is undertaken. Given the importance of planning decisions being taken at all times by members on a fully informed basis it is considered necessary for all members to be trained before being able to participate in the determination of planning applications by the Committee. Steps will be taken to ensure that such training is made available to relevant members before the first Planning Committee meeting in each municipal year.

- 3.8 Appendix 4 sets out guidance for Members on bias and predetermination. This complements the Code of Conduct and proposed Members' Planning Code of Conduct and is proposed for adoption.

4.0 Conclusion and Reasons for Recommendations

- 4.1 It is good practice for review procedures to ensure they are up-to-date, fit for purpose and reflect current legislation.
- 4.2 The minor amendments to the Planning Committee Public Speaking Procedure ensure that the procedure is clear for elected members and members of the public.
- 4.3 The Members' Planning Code of Conduct reflects and supports the current Code of Conduct. It provides clear guidance for all elected members when undertaking the Council's duties as the local planning authority.

5.0 Consultation

None

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 reject the recommendations.

Option 2: To amend the proposed minor amendments to the Public Speaking at Planning Committee and Members' Planning Code of Conduct

7.0 Implications

Financial and Resource Implications

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

Comments checked by:

Nicola Jackson, Corporate Finance Manager, 01295 221731
nicola.jackson@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 It is important the public speaking procedure rules for planning committee are clear and easy to understand and that the Members' Planning Code of Conduct reflects the Code of Conduct and the current legal position on relevant matters. The proposed Code achieves this.

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

N/A

Lead Councillor

N/A

Document Information

Appendix No	Title
1	Annotated extract of the Constitution: Section 2.6, Planning Committee Procedure Rules
2	Annotated "How to have your say at planning meetings" leaflet text
3	Members' Planning Code of Conduct
4	Bias and Predetermination: A guidance note for members
Background Papers	
None	
Report Author	Natasha Clark, Democratic and Elections Team Leader
Contact Information	01295 221589 natasha.clark@cherwellandsouthnorthants.gov.uk

Extract from the Constitution: Section 2.6, Planning Committee Procedure Rules

Requests by the Public to Address the Planning Committee

1. Members of the public, including the applicant (or their representative), representatives from the relevant Town or Parish Council, local interest groups and local civic societies, may address Planning Committee during consideration of any application for planning permission
2. The following groups may address the meeting for up to five minutes each:
 - Objectors
 - Applicant and/or Supporters

Where more than one person has registered to speak in any of the above groups of speakers, the five minute period shall be shared. In ~~these such~~ circumstances, Objectors are encouraged to appoint a spokesperson. If no spokesperson is nominated, Objectors will be heard in the order in which they have registered until the five minute period has elapsed. The Applicant (or their agent) will speak first in their five minute period followed by any other supporters until the five minute period has elapsed.

3. ~~The deadline to register to An application to speak at Planning Committee is midday on the last working day before the committee meeting. Requests must be made received in writing or by electronic mail to by Democratic and Elections Services by midday on the last working day before the committee meeting.~~

Applications to speak at Planning Committee will only be accepted by persons who have made written representations on an application as part of the consultation process or the applicant or the applicant's agent.

Persons who have registered to speak may appoint someone to speak on their behalf provided that ~~written authority from~~ the person who has registered to speak ~~notifies is given to~~ Democratic ~~and Elections Services~~ before the Planning Committee commences.

4. ~~Persons registering to speak must provide Applications to speak must include the name of the person wishing to speak, register and a contact telephone number, the application they wish to speak on, whether they will be speaking in support or objection to the application and the capacity in which they are registering. Persons registering to speak Applicants~~ should also confirm if they are willing for the Council to share their contact details with other speakers so that arrangements can be made to nominate a spokesperson if necessary.
5. When there is a linked or duplicate application each speaker can only speak on one application site, regardless of the number of applications for that site.

For example, in the case of linked applications for planning permission and listed building consent on the same property, speakers may only speak once.

6. Public speaking at Planning Committee is only permitted on planning applications, not any other report submitted to the Committee.
7. When planning applications are referred to full Council ~~by Councillors~~ the normal Council public speaking rules apply, as set out in the Council procedure rules.

Procedure

8. Any requests to speak received after midday on the last working day before the committee meeting will not be accepted.
9. ~~Members of the public who have registered to speak must sign a declaration of conduct at Planning Committee. Members of the public who do not sign the declaration will not be permitted to address the Committee.~~
10. Before the planning application report is considered in detail, the Committee may agree to defer ~~that~~ the application ~~be deferred~~ for a site visit or to obtain further information. In such cases, there will be no public participation on the application until it is reconsidered at a future meeting. Persons who have registered to speak on applications that are deferred to a future Planning Committee meeting are not required to register again.
11. The Planning Officer will present the application to the Committee and inform Members of any late representations or updates.
12. Ward Members and any Members of the Committee with a significant prejudicial interest (excluding disclosable pecuniary interest in which case the member must leave the meeting for the duration of the item) will then be entitled to speak on the application. ~~After making their presentation Ward Members may, at the discretion of the Chairman, answer questions and sum up their view at the end of the debate. They then must return to the public gallery. Members of the Committee with a prejudicial interest must leave the room for the debate and vote.~~
13. The persons who have registered to speak will ~~then~~ be introduced by the Chairman in order of Objectors and Supporters, with the applicant always speaking first is their allotted time. Once a speaker has made their statement there will be no further right to address the meeting and at the speaker must return to the public gallery.
13. The Planning Officer will ~~then~~ clarify any planning points made by speakers relevant to the application.
14. The Committee will debate the application and make a decision on the application. Should the Committee choose to defer the application for a site

visit or further information after the public speaking part of the item has passed, when the application is brought back to Committee, no public speaking will be permitted unless there are significant material changes to the application in the meantime. This will be at the discretion of the Chairman.

15. Members of the public, Ward Members and Committee Members may not show plans, drawings, video clips, photographs or circulate written material.
16. The Chairman of the meeting may:
 - (a) vary the order of representation if he/she considers that it is convenient and conducive to the despatch of the business and will not cause prejudice to the parties concerned, or
 - (b) remove any person from the meeting if they behave in a disorderly manner.

How to have your say at planning meetings

Members of the public have the right to speak at Cherwell District Council planning meetings. This leaflet explains how.

The Planning Committee considers certain applications for planning permission. Members of the public may request to speak on applications considered at a meeting of the planning committee if they have made written representations on an application.

This gives you an opportunity to give your views in person to the committee. The committee will continue to take account of letters of support or objection.

The opportunity to speak is available to applicants or their agents, objectors, local residents, town/parish council representatives and any other person with an interest in a certain application, providing they have made written representations on an application. Public speaking only applies to applications which are considered put forward to by the committee, not applications that are determined by Planning Officers.

When and where does the planning committee meet?

All committee meetings are held in the Council Chamber at Cherwell District Council Offices, Bodicote House, Bodicote OX15 4AA.

The planning committee meets every 4 weeks at 4pm on a Thursday. ~~., a~~ full calendar of meetings can be found on our website: www.cherwell.gov.uk. ~~you can also watch a m~~ Meetings ~~s as they~~ are web cast live on the internet and available to view for 6 months after the meeting date.

Who can speak?

Applicants (people applying for planning permission) or their agents, parish/town council representatives and any person or group who has made written representations on the application.

Which planning applications can I speak on?

Any planning application for determination that you have applied for, or made a written representation on, as part of the planning consultation process. You cannot speak on legal or enforcement action when the committee is considering whether to take legal action or monitoring reports.

When will the application be considered?

Applications will usually be considered in the order in which they appear on the agenda of the meeting.

The Chairman has the discretion to change the order agenda items are considered in. If your application is a later item on the agenda, please be aware it may be considered earlier.

~~However, the An~~ application may be deferred layed until another meeting if further information, negotiations or a site visit is needed. If an application is deferred, public speakers are not required to register again if they have not spoken. However, if public speakers have already addressed the Committee, no further public speaking will be permitted unless there are significant material changes to the application in the meantime. This will be at the discretion of the Chairman of the Committee. ~~If this happens then public speakers are not required to register again.~~

What is the procedure for speaking?

The One of the planning officers will present the application referring to the report in the published agenda. The report will include a planning officer's recommendation as to whether it should be approved or refused.

Following the presentation by the planning officer, 's report the local Ward Member (if not a member of and any members of the Committee) and any members of the Committee with a significant who have a prejudicial interest (unless a disclosable pecuniary interest in which case the member must leave the meeting for the duration of the item) will have the opportunity to speak.

The following groups of speakers will be introduced and invited to speak by the Chairman of the meeting:

People who have registered to speak will be introduced by the Chairman in order of objectors and applicant or agent/supporters. The applicant will speak first in their 5 minute period.

The planning officer will then clarify any planning points in the speakers' statement, relevant to the planning application. The Committee will debate the application and make a decision on the application. If the committee approve it they may also vote to impose certain conditions on the application.

~~You will only have one opportunity to speak at the meeting, on any one application.~~

How long will I be able to speak?

Applicants will be grouped into applicant/supporters and objectors. Each group can speak for up to 5 minutes. If more than one person has registered to speak in each group the 5 minutes will be shared. ~~In such those~~ circumstances speakers are encouraged to nominate a spokesperson. If no spokesperson is nominated speakers will be heard in the order in which they have registered to speak, on a strictly "first come, first served" basis until the 5 minutes has elapsed. This does not apply to the applicant/supporter group where the applicant or their agent takes precedence in the 5 minute speaking slot.

There is no time limit for the local Ward Member, although this should be within reason and is at the discretion of the Chairman.

How can I best use my time when speaking to the committee?

This will depend on the planning application but please try to limit your views to relevant planning issues. The committee take these types of issues into account when making their decisions:

- Whether the site is suitable for development
- Design, appearance and layout
- Over-looking and over-dominance
- Highway safety and traffic
- Noise, disturbance and smell
- National and Local planning policy and guidance.

The Committee must ignore non-material considerations when making their decision.

Can I bring handouts to distribute to the Committee?

No. Members of the public, Ward Members and Planning Committee members may not show plans, drawings, photographs, video clips or circulate written material, as this opportunity has already been given as part of the planning consultation process.

~~Which planning applications can I speak on?~~

~~Any planning application for determination that you have applied for, or made a written representation on, as part of the planning consultation process. You cannot speak on legal or enforcement action when the committee is considering whether to take legal action.~~

How do I arrange to speak at a meeting?

Requests to address the Planning Committee on a particular application will not be accepted until it has been included on a published agenda.

If you want to speak on an application you will need to contact Democratic ~~and Elections Services in writing by post or email~~ no later than 12 noon on the last working day before the meeting. You must ~~provide~~ indicate the application you wish to speak about, your name and email address or telephone number, the application you wish to speak about, ~~You must indicate~~ whether you are an objector or supporter and the capacity in which you will be speaking. You will be asked ~~Please indicate~~ if you are willing to share your contact details with other speakers so that arrangements can be made to nominate a spokesperson.

~~Letters should be addressed to
Democratic Services,
Bodicote House,
Bodicote Banbury
OX15 4AA~~

~~and eEmails: -sent to
democracy@cherwell~~andsouthnorthants-de.gov.uk

~~Phone: 01295 221534~~

~~On the last working day before the Committee meeting when the deadline to register has passed Democratic Services will confirm if you are eligible to address the committee and will circulate contact details where appropriate. any~~Any requests to speak received after midday on the last working day before the Committee meeting will not be accepted.

How to contact us

Democratic Services
Cherwell District Council
Bodicote House
Bodicote
Banbury
Oxfordshire
OX15 4AA

Tel: 01295 2215~~3491~~

Email: democracy@cherwell~~andsouthnorthants-de~~.gov.uk

Call 01295 2215~~3491~~

or visit www.cherwell.gov.uk

3.5 Members' Planning Code Of Conduct

If you have any doubts about the application of this code to your own circumstances you should seek advice, preferably well before any meeting takes place.

About This Code:

This code:

- is based on a Model Code which was prepared by the former Association of Council Secretaries and Solicitors;
- supplements the Members' Code of Conduct; and
- applies to:
 - o Members **at all times** when involving themselves in the planning process
 - o at less formal occasions such as meetings with officers or the public and at consultative meetings
 - o both planning application matters and to enforcement matters.

The Planning System – The Members' Role

The key purpose of the planning system is to manage development in the public interest. The Members' role is to make planning decisions

- openly and transparently
- impartially
- for justifiable planning reasons.

This Code aims to ensure that all decisions are made in accordance with these principles.

Key Points (Golden Rules)

Planning decisions involve a balance between private and public interests where opposing views are often strongly held.

Your overriding duty is to the whole community not just to the people in your ward.

Decisions must not only **be** impartial they must be **seen to be** impartial. You should not favour, or appear to favour, any person, company, group or locality. You should not give the appearance of pre-judging ("pre-determining") the matter before it is considered by the Committee.

Planning decisions must be made in accordance with the statutory development plan unless material planning considerations indicate otherwise.¹

The views of officers involved in the determination of planning matters will be presented on the basis of their overriding obligation of professional independence.

You may think that material planning considerations outweigh the development plan, or take a different view of the planning balance than is contained in the officer recommendations. You are fully entitled to do so but you will need to make sure that you can clearly identify and support the planning reasons leading to this conclusion/decision. Advice should still be sought from Planning Officers in relation to setting out the rationale for your decision.

Essential – Do's and Don'ts

Disclosable Pecuniary Interests

DO, as soon as you become aware that you have a disclosable pecuniary interest in any matter to be discussed at a meeting, make a verbal disclosure of that interest.

DO leave the meeting before that matter is discussed or, if you realise after the discussion has begun, as soon as you have made your disclosure.

DON'T participate in the discussion or vote on a matter in which you have a disclosable pecuniary interest unless you have been granted a dispensation.

DO notify the Monitoring Officer of your disclosable pecuniary interest in writing within 28 days of your disclosure unless it is already included on your register of interests form published on the Council's web site.

DO seek advice from the Monitoring Officer if you are in any doubt about what to do.

Where you have a Disclosable Pecuniary Interest

DON'T get involved in the processing of the application.

DON'T attend any formal or informal meeting about the application or seek to speak at meetings.

DON'T try to represent local views.

DON'T participate, or give the appearance of trying to participate, in the making of any decision on the matter by the planning authority.

DON'T seek or accept any preferential treatment, or place yourself in a position that could lead the public to think you are receiving preferential treatment because of your position as a councillor. This would include, where you have a disclosable pecuniary

¹ Section 38(6) Planning & Compulsory Purchase Act 2004

interest in a proposal, using your position to discuss that proposal with officers or members when other members of the public would not have the same opportunity to do so.

DO be aware that, whilst you are not prevented from seeking to explain and justify a proposal in which you have a disclosable pecuniary interest to an appropriate officer (in person or in writing), the Code places greater expectations as to conduct than would be imposed on a normal member of the public.

Your Own Proposals

DO notify the Monitoring Officer, in writing, of your own proposals and those where you act as agent for a third party - this notification should be made no later than the submission of the application. These proposals will be reported to the Committee as main items and not dealt with by officers under delegated powers.

Where you have no Disclosable Pecuniary Interest

You may take part in the decision making process but need to take account of the following points:-

Do keep at the front of your mind that, when you come to make a decision, you:

- are entitled to have and to have expressed your own views on the matter, provided you are prepared to reconsider your position in the light of all the evidence and arguments;
- must keep an open mind and hear all of the evidence before you, both the officers' presentation of the facts and their advice as well as the arguments from all sides;
- are not required to cast aside views on planning policy you held when seeking election or otherwise acting as a member, in giving fair consideration to points realised;
- are only entitled to take into account a material consideration and must disregard considerations irrelevant to the question and legal context at hand; and
- are to come to a decision after giving what you feel is the right weight to those material considerations

Bias and predetermination – don't fetter your discretion²

DON'T fetter your discretion by approaching the decision with a closed mind. Doing so will prevent you from participating impartially in planning decisions: making up your mind ("**pre-determination**"), or even appearing to make up your mind in advance of the Committee meeting, and of your hearing the arguments on both sides, may put the Council at risk of legal proceedings.

² Members should also have regard to the Council's more detailed guidance: ***Bias and Predetermination: A guidance note for members***

Remember:

- Planning decisions should only be taken with knowledge of all the relevant considerations, including responses to consultations where relevant. The officers' reports are intended to bring together all relevant considerations, and further matters may arise at the committee meeting. It is therefore not possible to come to a firm decision in advance of the meeting. You may have a view as to how you will decide a particular matter ("**pre-disposition**") but you must keep an open mind at the meeting.

Where you have Fettered your Discretion

- Don't speak and vote on the proposal at the meeting;
- Although you are not required to withdraw from the meeting, you may prefer to do so to avoid any complaint that your presence influenced the decision.

You can still exercise your separate rights as Local Ward Member where you have fettered your discretion. If you do exercise that right:

- advise the Proper Officer or Chairman that you wish to speak in this capacity before commencement of the item; and
- remove yourself from the room for the duration of that item.

District Council Proposals

DO be aware that you are likely to have fettered your discretion where the Council is the landowner, developer or applicant and you have acted as, or could be perceived as being, a chief advocate for the proposal. (This is more than just a matter of membership of both the proposing and planning determination committees, but that through your significant personal involvement in preparing or advocating the proposal you will be, or perceived by the public as being, no longer able to act impartially or to determine the proposal purely on its planning merits). The best advice in these circumstances is not to take part in the decision or vote on the proposals.

Participation in the Discussions of Consultee Bodies

Members may have a dual role as both members of organisations that are consulted on planning proposals and as members of the Planning Committee. In those circumstances:-

You may take part in discussions of the consultee body on the proposal **IF** you make it clear to the consultee body that:

- your views are expressed on the limited information before you only, **AND**
- you must reserve judgement and the independence to make up your own mind on the proposal based on your overriding duty to the whole community and not just to the constituents of that body, **AND**

- you will not commit yourself as to how you or others may vote when the proposal comes before the Planning Committee.

How to Deal with Lobbying

DO remember that your overriding duty is to the whole community not just to the people in your Ward. You need to make decisions impartially. Make sure that you do not favour, or appear to favour, any person, company, group or locality.

DON'T declare the way you intend to vote

DON'T express any opinion on the merits prior to your formal consideration of the matter at a meeting(s) of the planning authority unless you make it very clear that you will only make up your mind at the meeting after hearing the officers' presentation and evidence and arguments on both sides.

DO explain to those lobbying or attempting to lobby you that, whilst you can listen to what is said, it prejudices your impartiality to express a firm point of view or an intention to vote one way or another.

Unless you have a Disclosable Pecuniary Interest, you may:

- listen/receive viewpoints from residents or other interested parties;
- make comments to residents, interested parties, other Members or appropriate officers, provided they do not consist of or amount to pre-determining the issue and you make clear you are keeping an open mind;
- seek information through appropriate channels; or
- be a vehicle for the expression of opinion or speak at the meeting as a local member, provided that, if you are a member of the Committee, you explain your actions at the start of the meeting/item and make it clear that, having expressed the opinion or local view, you will make up your own mind having heard all the facts and listened to the debate.

Dealing with Particular Groups

• ***Applicants/Developers***

DO refer applicants/developers who approach you for planning or procedural advice to officers wherever practicable.

DON'T agree to a meeting with applicants or developers where you can avoid it, except where this is part of a meeting organised by an officer and at which an officer is present. (Councillors do not normally take part in officers' discussions with applicants before a decision is taken, unless there are clear guidelines published by the Council to protect and assist councillors and officers. Where you do become

involved, you should be advised by the appropriate officers and the discussions should be recorded as a written file note.)

DO ensure that you report to the Head of Development Management any significant contact with the applicant and other parties and explain the nature and purpose of the contacts and your involvement in them. Ensure that this is recorded on the planning file.

DO make it clear that you will **only** be in a position to make a final decision on the application after having heard all the relevant evidence and arguments at Committee.

DO consider whether it would be prudent to make notes of what is said if no officer is present.

- ***Lobby Groups***

DON'T become a member of, lead or represent a lobby group seeking to promote or oppose planning proposals. If you do and you are a member of the Committee, you will have fettered your discretion.

- ***Political Groups***

DON'T decide how to vote at any sort of political group meeting, or press any other Member to do so, in advance of the meeting at which any planning decision is to be taken.

- ***Presentations***

DON'T attend presentations unless they have been organised by officers and an officer is present.

DO ask relevant questions for the purposes of clarifying your understanding of the proposals.

DO remember that the presentation is not part of the formal process of debate and determination of any subsequent application; this will be carried out by the appropriate Committee of the planning authority.

DO be aware that a presentation is a form of lobbying and you must not express any strong view or state how you or other Members might vote.

- ***Undue or Excessive Lobbying***

DO inform the Monitoring Officer where you feel you have been exposed to undue or excessive lobbying or approaches (including inappropriate offers of gifts or hospitality). The Monitoring Officer will in turn advise the appropriate officers to follow the matter up.

Gifts and Hospitality

Be careful about accepting gifts or hospitality wherever possible. If some hospitality is unavoidable, ensure that it is not excessive or inappropriate. Whilst not a disclosable pecuniary interest, a member, nevertheless, has the option of registering this so as to demonstrate openness and transparency to avoid any allegation of corruption or impropriety.

Dealings with Officers

DON'T put pressure on officers to put forward a particular recommendation. (This does not prevent you from asking questions or submitting views on the proposal, which may be incorporated into any committee report.)

DO recognise that officers are part of a management structure and only discuss a proposal, except in any formal meeting, with a Head of Service or those officers who are authorised by their Head of Service to deal with the proposal at a Member level.

DO recognise and respect that officers involved in the processing and determination of planning matters must act in accordance with the Council's Code of Conduct for Officers and their professional codes of conduct, primarily the Royal Town Planning Institute's Code of Professional Conduct. As a result, planning officers' views, opinions and recommendations will be presented on the basis of their overriding obligation of professional independence, which may on occasion be at odds with the views, opinions or decisions of the Committee or its Members.

Site Visits

DO ensure that you treat the site inspection only as an opportunity to seek information and to observe the site.

DON'T express opinions or views to anyone.

DO try to attend site visits organised by the Council where possible.

DO ask questions or seek clarification of matters that are relevant to the site inspection.

DON'T hear representations from the applicant or third parties.

DON'T visit a site on your own, even in response to an invitation, as this may give the impression of bias. Exceptionally, where there is no organised site visit, and with the prior approval of the Head of Development Management, the local ward member or in appropriate circumstances other members, may ask for an individual site visit accompanied by an officer (there is nothing preventing you from viewing a particular site from the public highway).

Communication with the Public at Committee Meetings

DON'T allow members of the public to communicate with you (orally or in writing) during the Committee's proceedings, as this may give the appearance of bias.

Making Decisions

DO comply with section 38(6) of the Planning and Compulsory Purchase Act 2004 and make decisions in accordance with the Development Plan unless material considerations indicate otherwise.

DO come to your decision only after due consideration of all of the information reasonably required to base a decision upon. If you feel there is insufficient time to digest new information or that there is simply insufficient information before you, request it. If necessary, defer or refuse.

DON'T vote or take part in the meeting's discussion on a proposal unless you have been present to hear the entire debate, including the officers' introduction to the matter.

DO ensure that, if you request a proposal to go before the Committee rather than be determined through officer delegation, your reasons are recorded and repeated in the report to the Committee.

DO have recorded the reasons for any Committee decision to defer a proposal.

Where the Officers' Recommendation is not Accepted

Decisions on planning matters (unless delegated to officers) are ultimately for members to make. But decisions, whoever makes them, must be made in accordance with the development plan unless material considerations indicate otherwise³.

If the officers' recommendation is not to be followed, equally robust planning reasons for the decision must be given at the meeting and minuted. Those reasons must be capable of being defended at any subsequent appeal.

Officer reports will include a recommendation based on an assessment of the proposal against the development plan and material considerations, including those arising from the representations made by the applicant and consultees. The reasons for the recommendation will be set out in the report. If members take a different view at the meeting, they will need to provide equally argued planning reasons. If on reading the officers' report, you form an initial impression that leads you to be pre-disposed to go against the recommendation, it may help to discuss tentative reasons with officers before the meeting.

DO make sure that if you are proposing, seconding or supporting a decision contrary to officer recommendations or the development plan that you clearly identify and understand the **planning reasons** leading to this conclusion/decision. These reasons must be given prior to the vote and be recorded. Be aware that you may have to justify the resulting decision by giving evidence in the event of any challenge.

Procedure if Officers' Advice is not to be Followed:

Proposer to set out planning reasons for the proposal.

³ Section 38(6) Planning & Compulsory Purchase Act 2004

Officers to be given time to comment on those reasons and their ability to withstand challenge through the appeal procedures.

Chairman may adjourn briefly for proposer and seconder to discuss and formulate reasons with officers, reconvening for a vote and for reasons to be fully recorded. If Chairman concludes that there are opposing views amongst Committee members he may take a vote on the proposal without adjourning for discussion with officers. In such circumstances the planning reasons for the proposal should be set out in detail before the vote is taken.

Training

DON'T participate in decision making at meetings dealing with planning matters if you have not attended any mandatory planning training prescribed by the Council.

DO try to attend any other specialised training sessions provided. These will be designed to extend your knowledge of planning law, regulations, procedures, Codes of Practice and the Development Plans beyond the minimum referred to above and thus assist you in carrying out your role properly and effectively.

In accordance with Government guidance, it is Council policy that every Member of the Council must receive formal training in the planning system before serving on the Planning Committee. Similarly, any present or newly elected Member participating in the determination of a planning application by full Council, must receive such training before taking part.

If training is declined or not undertaken for any reason, then the Member concerned would not be able to participate in Planning Committee meetings or at meetings of full Council when it is determining a planning application.

Sanctions

Sanctions (including offences)

If you do not follow this code, you may put:

- The Council at risk of proceedings on legality or of maladministration;
- Yourself at risk of breaching the Members' Code of Conduct.

It is a criminal offence (without reasonable excuse), if you are aware that you have a disclosable pecuniary interest in a matter being considered at a meeting:

- Not to disclose that interest (unless it is already registered)
- To participate in any discussion or vote on that matter.

External Sanctions

These include:

Local Government Ombudsman

The Ombudsman can investigate the process by which a planning decision has been taken (though not the decision itself). If injustice caused by maladministration is

found, the report may name the Member involved and give particulars of the breach. The report may be made publicly available.

Appeals to the Secretary of State

If an appeal is lodged and the Council is found to have been unreasonable (for example by making a decision for inadequate planning reasons) the appellant's costs may be awarded against the Council.

Judicial Review

If the Council can be shown to have not followed the correct procedures in determining an application or to have taken into account irrelevant considerations, the court may quash the decision. The claimant's costs would normally be awarded against the Council.

Bias and Predetermination

A Guidance Note for Members

Introduction

- 1) Local Authorities are legal entities that are required to make decisions in accordance with the law and in accordance with their own governance arrangements as set out in a Constitution and a Code of Conduct. Each Principal Authority must appoint a Monitoring Officer who has responsibility to ensure lawful decision making. The Monitoring Officer is required to report to the Authority where the actions of the Council itself, its Committees or Sub-Committees, Councillors or employees give rise or is likely to give rise to a breach of any legal enactment or maladministration (Section 5 of the Local Government and Housing Act 1989).

Lawful Decision Making

- 2) There are certain procedural requirements in relation to the membership and operation of decision making meetings and legal requirements as to the provision of sufficient information to enable informed decisions to be made. There can also be legal requirements to undertake consultation before decisions are made. Where consultation is required (or whenever it is undertaken) it must be done properly and the results taken into account by the decision maker, before a final decision is made.
- 3) It is essential that the public have confidence in the procedures adopted and that Members themselves ensure that decisions are properly taken in accordance with legal requirements.
- 4) Legal challenges are common, particularly on controversial matters, and the limits of judicial review mean that whilst claimants will often be aggrieved with the merits of a decision it is more often the case that challenges are brought on the basis of alleged defects in the decision making process.
- 5) The key components to lawful decision making are that Members do not close their minds to permissible outcomes, consider issues in good faith without the presence or appearance of bias, have regard to all relevant considerations and act in accordance with the law.

What is Predetermination or Bias?

- 6) Predetermination is where a Councillor's mind is closed to the merits of any other arguments about a particular issue on which they are making a decision and that they have already made their minds up about it. The Councillor makes a decision on the issue without taking all relevant information into account.

- 7) Predetermination is therefore the surrender by the decision-maker of his/her judgement by having an evidentially closed-mind such that they are unable to apply their judgement fully and properly to an issue requiring decision.
- 8) It is essential that Councillors do not appear to have already made up their minds in advance of the meeting itself. Such impressions can be created in a number of different ways such as quotes given in the Press or what is said at the meeting itself or at other meetings and in correspondence (particularly, nowadays, in e mails) Predetermination may amount to a form of bias.
- 9) Bias can also occur where the private interests of a Councillor impact or may be perceived to impact on their decision making. For example, where the Councillor's relationship with any person or body/agency who may be affected by the decision may reasonably be perceived to affect, their ability to weigh matters fairly and properly. Bias is conduct that, to a fair-minded and informed observer, gives rise to a real possibility that a member is biased in the sense of approaching a decision with a closed mind and without impartial consideration of all the issues. Bias is technically of two sorts: actual bias and apparent bias. The latter is easier to allege and establish. The test is whether a reasonable, informed observer would take the view that there was a possibility of bias¹. If a Member participated in a decision despite having a pecuniary interest then that would be actual bias. Giving the appearance of having a closed mind on an issue may lead to an allegation of apparent bias.
- 10) In instances of both predetermination and bias, the implication is that a decision will be taken in a particular and fixed way irrespective of the merits or the information provided at the meeting.

Consequences

- 11) Where a Councillor has a closed mind, this potentially has a direct impact on the validity of the decision and might make the decision challengeable either by way of Judicial Review or some other legal appeal process. If proven it would amount to a procedural irregularity and might mean that the decision taken by the Committee is then regarded as unlawful and void.
- 12) Challenges can also be made via a complaint to the Local Government Ombudsman who can investigate the matter and has power both to secure documentation held by the council and to require witnesses to attend for interview. A finding of maladministration requires the Council to place a public notice of the findings, debate at full Council and respond to the findings.
- 13) The Monitoring Officer also has the power to investigate a matter and decide if there has been any procedural irregularity as well as a possible breach of the member's code of conduct.

Predisposition

¹ R (on the application of Ortona) v SSCLG 2009 JPL 1033. See Georghiou v LB Enfield (2004) EW HC 779.

- 14) Predisposition means that a person has not yet fully made up their mind about an issue. Although they may have policy, personal or other legitimate reasons to be disposed toward a particular outcome, predisposition still holds open the possibility that the member will have regard to all of the evidence provided to him or her and is still open to persuasion on the facts of the case.
- 15) The law recognises that a Councillor may be predisposed to a particular view on issues but this in itself is not a bar from them taking a full part in the decision making. Provided they have an open mind to the merits of the arguments before they make a final decision on the specific issue before them e.g. a general antipathy to wind farms does not preclude a specific decision about a specific application for a wind turbine planning application in a specific locality. The general view does not close the member's mind to the relevant facts concerning the specific decision that needs to be taken.
- 16) By the nature of the councillor role, elected members will have predispositions on matters of policy, or perhaps on a local issue for which they have campaigned or stood for election. The holding and expression of views, even strong views, is to be expected. The common law recognises this and has established that only if a councillor firmly closes his/her mind to any other possibility (when called upon to take or participate in a decision) will the courts judge the matter as having strayed into predetermination or bias.
- 17) The law recognises that Councillors do have opinions and views on a wide range of issues and whilst not having a closed mind, nevertheless, they are not expected to have an empty mind!**

Localism Act 2011

- 18) In order to make it explicitly clear that all Councillors should be entitled to speak on behalf of their communities without necessarily precluding themselves from local decision making, Section 25 of the Localism Act 2011 was implemented to address this issue. In effect, expressions of a view on a particular local planning issue, or campaigning for election on a particular platform, should not of itself be treated as evidence of a closed mind on a particular matter which would prevent them from participating in Council business relating to that issue.
- 19) Section 25 states that if there is an issue about the validity of a decision as a result of an allegation of bias or predetermination (either actual or apparent) then in those circumstances a decision maker is not to be taken to have had or to appear to have had a closed mind just because he or she has previously done anything that directly or indirectly indicated what view they might take or would take in relation to the matter.
- 20) The clear intention of the legislation is to allow Members to feel more confident in becoming involved in local debate without fear of precluding themselves from taking part in decision making.
- 21) This is based on the principle that a member should be deemed to be open to persuasion on the facts of the case before the actual decision is taken at the

Committee, having taken into account the relevant Committee reports, the debate, advice provided, consultation undertaken and any representations made at the meeting i.e. taking into account all of this information and only then making a decision.

22) However, this Section does not provide blanket protection or immunity for anything that is said by a Member. The test of what an 'impartial and fair minded observer would think'² would still apply in relation to interests or relationships, which bring into question issues of undue influence or bias. The protection of Section 25 only relates to previous statements not being **in of themselves** proving predetermination or bias. If there is other evidence available to demonstrate predetermination or bias then such statements might then become admissible.

Freedom of Speech

23) There is an important difference between those Councillors who are directly involved in making a decision and those Councillors who are legitimately seeking to influence that decision. Councillors who are not involved in making a decision are generally free to speak how they want with regards to a matter and indeed frequently take on the role of advocate for the local community. This can include attending a decision making Committee as a non-Committee member and, with the leave of the Chairman addressing the Committee on the merits of the matter before it.

Case Law

24) The Localism Act effectively confirms and re-states the established case law in relation to predetermination and it is therefore helpful to consider such cases as they provide practical examples of instances where predetermination was not proven.

R (Lewis) v Redcar and Cleveland Borough Council [2010] UKSC11

25) A highly controversial decision taken just before an election was unsuccessfully challenged. Members were entitled to be predisposed to determine an application in accordance with their own political views and policies, provided that they listened to the arguments and had regard to all material considerations. Neither the proximity of the local election nor the unanimity of the members of the majority group in themselves were capable of demonstrating that those who voted in favour of the application had closed minds to the planning merits of the proposal.

R (Island Farm Development Limited) v Bridgend CBC 2006 EWHC 2189

26) This case involved a refusal by a Local Authority to sell land to the claimant who wished to develop it. There were strong local feelings about the matter and indeed several members of the Council had been elected having campaigned

² Porter v Magill 2001 VKHL 67

against the sale. The Judge held that Members were entitled, when making decisions on local issues, to take into account policies they believe in, especially if they have been part of a manifesto in a local election. Prior statements were simply evidence of predisposition, not of closed minds.

Condron v National Assembly for Wales [2006] EWCA Civ 1573

27) In the case of Condron, a Member as he walked into the building just prior to the meeting, was asked how he was going to vote and stated that he was “going with the Officer recommendation”. Even in this instance, where there was explicit evidence of intention, nonetheless, the Courts ruled that there was no evidence that at the meeting itself the Member had a closed mind as there was no evidence to suggest that he wouldn’t have changed his mind as there was still the possibility that he might have changed his opinion depending on what he had heard.

Conclusion

28) The legislation is clear that whatever a Councillor says or does prior to the meeting cannot by itself, be used as evidence of predetermination or bias provided they conduct themselves appropriately and consider and weigh the matters at the meeting itself before reaching a decision.

29) Nonetheless, separate from the legal protection, Councillors also need to guard against the perception or unfounded allegations of predetermination and bias. Therefore, it is important for Councillors to explain that their views are preliminary and are not to be taken as their final decision and that they have retained an open mind and will listen to both sides of the argument before reaching a final conclusion.

Gifts and Hospitality

30) Councillors are no longer legally required to register gifts and hospitality. The key concern that may arise is that the acceptance of gifts and hospitality might give rise to a perception of actual or apparent bias.

31) Members should always approach decision-making with an open mind. There may be instances where offers and acceptances of gifts and/or hospitality may give the impression of real or actual bias. For example, if they are particularly lavish, frequent or timed to coincide with decision-making or from a company or community group which stands to be affected by the decision to be taken.

32) Consequently, members should always view offers of gifts and hospitality cautiously and particularly so if there is any association between the originator and any decision which a councillor will or may take. Remember, the *appearance* of bias - to a ‘fair minded and informed observer’ (i.e. the courts) - is sufficient to potentially undermine an authority’s decision-making process.

33) Gifts and hospitality should never be sought or solicited; and where offered they should generally be declined; and certainly so if they relate to potential decision-

making, either at a specified or potential future time. This would protect the councillor, and the council, from allegations of bias and influence and would maintain the integrity of democratic decision-making.

34) It remains open to councillors voluntarily to register offers/acceptances of gifts as non-pecuniary interests should they wish to do so. The register of interests form contains a section where members can record any non-pecuniary interests in addition to the statutory disclosable pecuniary interests which they are required to record. Members are strongly advised to register such interests to demonstrate openness and transparency.

Bribery

Act

35) It is a criminal offence under the Bribery Act 2010 to request or receive money or other advantage in return for improperly doing or not doing an act as part of your Councillor role. Voluntary registration of gifts and hospitality received or offered protects both you and the Council from such allegations of corruption. The declaration form has a section which can be used for these voluntary disclosures of interest.

Membership of Organisations

36) Councillors and co-opted members will often be members of outside organisations, locally or nationally, either in their private capacity or as appointed by their councils. This can include community groups, lobby groups, political parties and trade unions.

37) An association with such a group could, conceivably, be a factor in any allegation of real or actual bias. This would depend on the circumstances of the case. Mere membership is unlikely to be an issue. However, active involvement in the promotion of a particular cause or object, if this is germane to a decision before the council, may well give rise to an appearance of bias.

38) In order to strengthen openness and transparency it is advisable for Members to register such membership in order to protect themselves and the Council from allegations of bias or of having a particular hidden agenda.

39) It is always open to members voluntarily to declare any other personal interests in that section of the Register of Interests Form provided for this purpose. If a member considers that a personal interest, other than a disclosable pecuniary interest, would conflict with their responsibilities to abide by the Seven Principles of Public Life (the 'Nolan Principles') then these can be included in that latter section of the form.

40) One of the Nolan Principles is that:

"Holders of public office must avoid placing themselves under any obligation to people or organisations that may try inappropriately to influence them in their work"

41) Therefore, members need to be mindful of any pronouncements they may make as part of such organisations, either on their behalf or individually.

Trade Union Representation

42) Insofar as any such association may involve sponsorship (by that organisation) e.g. by a Trade Union then registration is already required as a Disclosable Pecuniary Interest. The relevant Regulations explicitly provide that sponsorship includes “any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992”. This means that sponsorship by a trade union will be a disclosable pecuniary interest and should be registered as such.

Dual/Triple Hatted Members

43) Dual and triple-hatted members need to balance their legitimate right to express views while protecting the integrity of council decision making from allegations of real or apparent bias and predetermination arising from potential conflicts of interest between the two Councils he or she represents.

44) Members of more than one local authority may occasionally find themselves in a position where they have made a decision or been consulted on a matter in one authority which then comes up for consideration in another authority. In those circumstances, advice should be sought from the Monitoring Officer as to whether or not the initial involvement precludes them from taking part in the decision making.

45) Members may also need to be cautious as to whether they can take part in a decision that has financial implications, either positive or negative, for the other public body. Again the advice of the Monitoring Officer should be sought.

Community meetings

46) Where a member agrees to chair a community or public meeting on a particular planning matter, the member should make it clear at the outset the capacity in which they are acting (e.g. as a facilitator to local discussion) and make a very clear statement setting out that they are taking part with an open mind. It is suggested that members' might want to use the following words to do this (varied to name the particular meeting) and perhaps to include a copy as an annex to the minutes:

I have agreed to chair this meeting [Liaison Committee etc] in order to enable meetings to take place between [local residents, the Parish Council, the operator, the landowner, the District Council through its officers, and other interested parties]. I intend to listen to the views and opinions put forward by all parties at this meeting but I would like to make it clear that insofar as there is any discussion or consideration of a proposal by any party that may require planning permission, all parties should be aware that notwithstanding anything I may hear or any comment I may make at these [Liaison] meetings, this is not

the correct forum to determine any such matters and that I will make my decision on such matters at the relevant Council meeting with an open mind and based on all the evidence presented at that meeting.

47) A version of this statement could also be made if a member is participating in, but not chairing, such a meeting, for the avoidance of doubt.

Code of Conduct

48) Members will be familiar with their responsibilities under the Code of Conduct to register and declare disclosable pecuniary interests and any other non-pecuniary interests which they wish to register. These provisions protect council decision-making, and members themselves, where private interests may otherwise conflict with public duties.

49) If you are a member of a planning committee you will also need to have regard to the specific guidance in the Council's Planning Code in relation to bias and predetermination.

Summary of Do's and Don'ts

50) The law of ***bias and predetermination*** protects the democratic decision making process such that decisions are taken properly and conscientiously, having due regard to advice and other material in the meeting, and what it said in the relevant debate.

Do's

- Members should not be afraid of holding or expressing views, even strong views - provided that they remain just that - **views**
- Be careful not to convey the impression in the mind of a reasonable person (and before the decision in question) that you have already made up your mind 'come what may'
- Remember that the *appearance* of bias is sufficient to undermine the decision-making process even if you believe that no bias *actually* exists

Don'ts

- In expressing your views ahead of a decision, don't use extreme language that could indicate you've ***predetermined*** the matter already
- Allow your associations and memberships to create the *impression* of bias
- Accept gifts and/or hospitality that creates the impression of bias or corruption

51) For further advice about this guidance, and to discuss any particular scenarios, contact the Monitoring Officer on 0300 0030107 or kevin.lane@cherwellandsouthnorthants.gov.uk.

Cherwell District Council

Council

23 February 2015

Calendar of Meetings 2015/16 and 2016/17

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 2015/16 and the municipal year 2016/17.

1.0 Recommendations

The meeting is recommended:

- 1.1 To approve the calendar of meetings for Cherwell District Council (CDC) for the municipal years 2015/16 (Appendix 1) and 2016/17 (Appendix 2).
- 1.2 To delegate authority to the Head of Law and Governance to amend the calendars of meetings to take account of the Joint Commissioning Committee, Joint Scrutiny Committee and Joint Councils' Employee Engagement Committee if their establishment is approved.

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 2015/16 calendar of meetings was approved by Council in February 2014. The calendar has been slightly amended from the draft version and a revised 2015/16 calendar of meetings is attached at Appendix 1. The draft 2016/17 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 existing informal joint meetings 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 and Transformation Working Group) have not been included as the joint meeting arrangements may be subject to change depending on the decision of Council in relation to the final business case for a shared service and/or confederated approach to joint working and the delivery of local authority services included on the agenda for this meeting.

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 AGMs:
 - 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.
 - The 2016/17 AGM will be held on Tuesday 17 May 2016. This is to allow for the inclusion of proportionality calculations following the local elections on Thursday 5 May 2016.
- Meetings of Executive being held on the first Monday of each month with the following exceptions: November/December 2015 when the meeting will be held on Monday 30 November due to the need 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 on the same date with the Council and Employee Joint Committee preceding the Personnel Committee
- 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:
 - 2015/16
 - Wednesday 10 June 2015
 - Wednesday 11 November 2015
 - 2016/17
 - Wednesday 8 June 2016
 - Wednesday 9 November 2016

These meetings are arranged by the Countryside and Communities Manager.

- Executive Business Planning Meetings (BPM) are administered by the PA to the Leader. Dates will be advised in due course.

Joint Committees with South Northamptonshire Council (SNC)

- 3.2 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).

2015/16
 Thursday 8 October 2015, SNC Council Offices
 Thursday 2 March 2017, CDC Council Offices

2016/17
 Thursday 13 October 2016, SNC Council Offices
 Thursday 2 March 2017, CDC Council Offices

- 3.3 No other joint meetings (Place Programme Board, Joint Arrangements Steering Group, Joint Personnel Committee) have been scheduled at this stage.
- 3.4 The final business case for a shared service and/or confederated approach to joint working and the delivery of local authority services included on the agenda for this meeting highlights the need for robust governance arrangements being in place to facilitate a broader approach to shared services and to ensure there is effective Member oversight of the transformation programme (for example any further development of the confederation approach). It proposes the establishment of a Joint Committee to undertake these tasks. The proposed governance arrangements also reference the introduction of a Joint Staff Engagement Committee and include the creation of proposals for some Joint Scrutiny where this is appropriate.

- 3.5 The future joint meeting arrangements are subject to the decisions of Full Council at CDC and SNC. It is proposed that authority be delegated to the Head of Law and Governance to amend the calendars of meetings to take account of the Joint Commissioning Committee, Joint Scrutiny Committee and Joint Councils' Employee Engagement Committee if their establishment is approved.

Amendments to the Calendars of Meetings

- 3.8 Notwithstanding the proposed delegation to the Head of Law and Governance to amend the calendars if the establishment of the Joint Commissioning Committee, Joint Scrutiny Committee and Joint Councils' Employee Engagement Committee is approved, 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 2015/16 and 2016/17 as set out in the appendices will provide a suitable decision making framework for Cherwell District Council.

5.0 Consultation

Joint Management Team

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 directly from this report.

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

Legal Implications

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

Comments checked by:
Kevin Lane, Head of Law and Governance, 0300 003 0106,
kevin.lane@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:
Kevin Lane, Head of Law and Governance, 0300 003 0106,
kevin.lane@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 2015/16
Two	Proposed CDC calendar of meetings for the municipal year 2016/17
Background Papers	
None	
Report Author	Natasha Clark, Team Leader – Democratic & Elections
Contact Information	01295 221589 Natasha.clark@cherwellandsouthnorthants.gov.uk

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Appendix 1

Revised February 2015

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 22 February Page 265	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 23 March	2015 17 June 16 September 9 December 2016 9 March	2015 17 June 16 September 9 November 2016 9 March	2015 2 June 14 July 1 September 13 October 24 November 2016 12 January 23 February 5 April	2015 26 May 28 July 8 September 6 October 3 November 17 November 1 December 2016 19 January 1 March
Democratic Contact Officer: Natasha Clark 01295 221589	Democratic Contact Officer: Natasha Clark 01295 221589	Democratic Contact Officer: Aaron Hetherington 01295 227956	Democratic Contact Officer: Sharon Hickson 01295 221554	Democratic Contact Officer: Lesley Farrell 01295 221591	Democratic Contact Officer: Lesley Farrell 01295 221591	Democratic Contact Officer: Emma Faulkner 01327 322043	Democratic Contact Officer: Lesley Farrell 01295 221591

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

Appendix 2

Revised February 2015

Cherwell District Council Calendar of Meetings 2016/17¹

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, 7.15pm</i>	<i>Weds, 6.30pm</i>	<i>Tues, 6.30pm</i>	<i>Tues, 6.30pm</i>
2016 Tuesday 17 May AGM 18 July 17 October 19 December 2017 20 February 2017/18 Tuesday 16 May 2017 AGM	2016 6 June 4 July 5 September 3 October 7 November 5 December 2017 9 January 6 February 6 March 3 April	2016 19 May 9 June 7 July 4 August 1 September 29 September 27 October 24 November 17 December 2017 19 January 16 February 16 March 13 April	2016 22 June 5pm - <i>informal review of accounts</i> 22 June 21 September 30 November 2017 18 January 22 March	2016 15 June 14 September 7 December 2017 8 March	2016 15 June 14 September 7 December 2017 8 March	2016 31 May 12 July 6 September 11 October 22 November 2017 10 January 21 February 4 April	2016 24 May 26 July 30 August 4 October 1 November 15 November 29 November 2017 17 January 28 February
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