



# Meeting of Council

Monday 24 February 2025

Members of Cherwell District Council,

A meeting of Council will be held at Bodicote House, Bodicote, Banbury, Oxon OX15 4AA on Monday 24 February 2025 at 6.30 pm, and you are hereby summoned to attend.

Monitoring Officer

Friday 14 February  
2025

## AGENDA

**1 Apologies for Absence**

**2 Declarations of Interest**

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

**3 Communications**

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

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

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

Addresses may be presented by:

- A Local Government elector for the area,
- A person who is wholly or mainly resident in the area,
- A Council Taxpayer or National Non-Domestic Ratepayer for the area

Addresses must be on an item on the agenda before the meeting and not exceed 5 minutes. No person may address more than one meeting on any particular issue.

Requests to address the meeting (including the agenda item and reason for the address) should be submitted to [democracy@cherwell-dc.gov.uk](mailto:democracy@cherwell-dc.gov.uk). The deadline for requests to address this meeting is noon on Friday 21 February 2025.

The deadline to present a petition to this meeting has passed.

Full details of public participation at meetings is available in the Constitution.

## 5 Urgent Business

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

## Council Business Reports

### 6 Members' Allowance Scheme 2025/2026 (Pages 9 - 38)

Report of Assistant Director Law and Governance and Monitoring Officer

#### Purpose of report

To determine the levels of the allowances to be paid to Members for the forthcoming 2025/2026 financial year and proposed changes to the Members Allowance Scheme, following the consideration of the report of the Council's Independent Remuneration Panel (the "Panel") attached at Appendix 1.

#### Recommendations

Council resolves:

- 1.1 To consider the levels of allowances to be included in the 2025/2026 Members' Allowances Scheme, and whether the Panel's recommendations (as set out at paragraph 3.1 of this report and section 2) should be adopted or modified in any way.
- 1.2 To authorise the Assistant Director Law and Governance to prepare an amended Members' Allowances Scheme, in accordance with the decisions of Council for implementation with effect from 1 April 2025.
- 1.3 To authorise the Assistant Director of Law and Governance to take all necessary action to revoke the current (2024/2025) Scheme and to publicise the revised Scheme pursuant to The Local Authorities (Member's Allowances) (England) Regulations 2003 (as amended).

- 1.4 To thank the Independent Remuneration Panel for its report and set a fee of £300 for each Panel Member for the work carried out on this review and propose the same level of fee for any reviews carried out in 2025/2026 capped at a maximum of £1200 per person, which can be funded from existing budgets.

## **7 Budget 2025/2026 and Medium Term Financial Strategy (MTFS) (Pages 39 - 256)**

Report of Assistant Director of Finance

### **Purpose of report**

To consider and approve the Budget Setting for 2025/26 and MTFS 2029/30 as per the recommendations.

### **Recommendations**

The Council resolves to:

- 1.1 Have regard to the statutory report of the Chief Finance Officer (Section 25 report) at Appendix 3 in approving recommendations 1.2 – 1.9.
- 1.2 Approve the proposed Fees and Charges schedule for 2025/26 (Appendix 7) and statutory notices be placed where required.
- 1.3 Consider and note the Equality Impact Assessments of the Budget (Appendix 8)
- 1.4 In relation to the Corporate Plan (Section 4.1) to:
  - 1.4.1 Approve the Corporate Plan set out in Appendix 1.
  - 1.4.2 Note the Internal Perspectives set out in Appendix 2.
- 1.5 In relation to the Revenue Budget Strategy (Section 4.2) and Medium-Term Financial Strategy (MTFS) (Section 4.5) to approve:
  - 1.5.1 The net revenue budget for the financial year commencing on 1 April 2025, as set out in Table 4.2.1, and further analysed in the Budget Book provided at Appendix 12.
  - 1.5.2 The MTFS and Revenue Budget 2025/26 (Sections 4.5 and 4.2 respectively), including the Savings Proposals and Investments included at Appendices 4 and 5, respectively.
- 1.6 In relation to Council Tax to approve:
  - 1.6.1 An increase in the Basic Amount of Council Tax for Cherwell District Council for the financial year beginning on 1 April 2025 of £5, resulting in a Band D charge of £158.50 per annum.
  - 1.6.2 For long term empty properties, from 1 April 2025 an additional council tax premium will be charged of 100 per cent for properties empty for one year or more, replacing the current 100 per cent premium that

begins after 2 years of a property being empty. All other empty property premiums will remain.

1.6.3 It be noted that the Council Tax Base 2025/26 was determined at the Executive meeting held on 6 January 2025:

- a) for the whole Council area as 59,853.6 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (“the 1992 Act”)]; and
- b) For dwellings in those parts of its area to which a Parish Precept relates as in the attached Appendix 21.

1.6.4 That the Council Tax requirement for the Council’s own purposes for 2025/26 (excluding Parish Precepts and Special Expenses) is £9,486,796.

1.6.5 That the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the 1992 Act:

- a) £140,304,768 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the 1992 Act, taking into account all precepts issued to it by Parish Councils and any additional special expenses.
  - b) £124,192,690 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the 1992 Act.
  - c) £16,112,078 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 1992 Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the 1992 Act).
  - d) £269.19 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the 1992 Act, as the basic amount of its Council Tax for the year (including Parish Precepts and Special Expenses).
  - e) £6,625,282 being the aggregate amount of all special items (Parish Precepts and Special Expenses) referred to in Section 34(1) of the 1992 Act as per the attached Appendix 21.
  - f) £158.50 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 Cherwell District Council the Council, in accordance with Section 34(2) of the 1992 Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept or special item relates.
- 1.6.6 It be noted that for the year 2025/26 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 1992 Act, for each category of dwellings in the Council’s area as indicated below:

<b>Valuation Band</b>	<b>Oxfordshire County Council</b>	<b>Police and Crime Commissioner for Thames Valley</b>
	£	£
<b>A</b>	1,274.27	188.85
<b>B</b>	1,486.64	220.33
<b>C</b>	1,699.02	251.80
<b>D</b>	1,911.40	283.28
<b>E</b>	2,336.16	346.23
<b>F</b>	2,760.91	409.18
<b>G</b>	3,185.67	472.13
<b>H</b>	3,822.80	566.56

1.6.7 The Council, in accordance with Sections 30 and 36 of the 1992 Act, hereby sets the amounts shown in Appendix 22 as the amounts of Council Tax for the year 2025/26 for each part of its area and for each of the categories of dwellings.

1.6.8 The Council has determined that its relevant basic amount of Council Tax for 2025/26 is not excessive in accordance with principles approved under Section 52ZB of the 1992 Act.

1.7 In relation to the Capital Programme and related strategies (Section 4.3) to approve:

1.7.1 The Capital Bid(s) and Capital Programme at Appendices 17 and 18 respectively.

1.7.2 The Capital and Investment Strategy 2025/26 (Appendix 19), including the Minimum Revenue Provision (MRP) Policy.

1.7.3 The Treasury Management Strategy, including the Prudential Indicators, and Affordable Borrowing Limit for 2025/26 (Appendix 20).

1.8 In relation to reserves (Section 4.4) to approve:

1.8.1 A minimum level of General Balances of £7.8m as supported by Appendix 15.

1.8.2 The Reserves Policy (Appendix 14).

1.8.3 The medium-term reserves plan described in Appendix 16.

1.9 In relation to the Pay Policy Statement to approve:

1.9.1 The Pay Policy Statement, as required by the Localism Act 2010, detailed in Appendix 9.

## **For information**

Please note:

Members are advised that written questions and motions for the next scheduled Council meeting on Monday 17 March must be submitted to the Assistant Director

Law and Governance & Monitoring Officer, [democracy@cherwell-dc.gov.uk](mailto:democracy@cherwell-dc.gov.uk), by noon on Wednesday 5 March.

**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@cherwell-dc.gov.uk](mailto:democracy@cherwell-dc.gov.uk) or 01295 221534 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 to view a meeting online or attend a meeting in person, 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.

**Webcasting and Broadcasting Notice**

The meeting will be recorded by the council for live and/or subsequent broadcast on the council's website. The whole of the meeting will be recorded, except when confidential or exempt items are being considered. The webcast will be retained on the website for 6 months.

If you make a representation to the meeting, you will be deemed by the council to have consented to being recorded. By entering the Council Chamber or joining virtually, you are consenting to being recorded and to the possible use of those images and sound recordings for webcasting and/or training purposes.

The council is obliged, by law, to allow members of the public to take photographs, film, audio-record, and report on proceedings. The council will only seek to prevent this should it be undertaken in a disruptive or otherwise inappropriate manner.

**Queries Regarding this Agenda**

Please contact Natasha Clark, Democratic and Elections [democracy@cherwell-dc.gov.uk](mailto:democracy@cherwell-dc.gov.uk),  
01295 221534

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<b>This report is public</b>	
<b>Members' Allowances Scheme 2025/2026</b>	
<b>Committee</b>	Council
<b>Date of Committee</b>	24 February 2025
<b>Portfolio Holder presenting the report</b>	Portfolio Holder for Corporate Services, Councillor Chris Brant
<b>Date Portfolio Holder agreed report</b>	14 February 2025
<b>Report of</b>	Assistant Director Law and Governance and Monitoring Officer, Shiraz Sheikh

## Purpose of report

To determine the levels of the allowances to be paid to Members for the forthcoming 2025/2026 financial year and proposed changes to the Members Allowance Scheme, following the consideration of the report of the Council's Independent Remuneration Panel (the "Panel") attached at Appendix 1.

## 1. Recommendations

Council resolves:

- 1.1 To consider the levels of allowances to be included in the 2025/2026 Members' Allowances Scheme, and whether the Panel's recommendations (as set out at paragraph 3.1 of this report and section 2) should be adopted or modified in any way.
- 1.2 To authorise the Assistant Director Law and Governance to prepare an amended Members' Allowances Scheme, in accordance with the decisions of Council for implementation with effect from 1 April 2025.
- 1.3 To authorise the Assistant Director of Law and Governance to take all necessary action to revoke the current (2024/2025) Scheme and to publicise the revised Scheme pursuant to The Local Authorities (Member's Allowances) (England) Regulations 2003 (as amended).
- 1.4 To thank the Independent Remuneration Panel for its report and set a fee of £300 for each Panel Member for the work carried out on this review and propose the same level of fee for any reviews carried out in 2025/2026 capped at a maximum of £1200 per person, which can be funded from existing budgets.

## 2. Executive Summary

- 2.1 The Council's Independent Remuneration Panel has met to review the current (2024/2025) Members' Allowances Scheme and its report on the recommended levels of the allowance payments for the 2025/2026 financial year, and other proposed changes to the scheme, which is attached as Appendix 1.
- 2.2 The Local Authorities (Members' Allowances (England) Regulations 2003 requires that before an authority makes or amends its Members' Allowance Scheme, it "shall have regard to the recommendations made in relation to it by an Independent Remuneration Panel."
- 2.3 Whilst the Council has a duty to have regard to the Panel's recommendations, it is the Council's choice whether to accept the Panel's recommendations in whole or in part, or not at all, or to determine any other scheme for 2025/2026.

## Implications & Impact Assessments

Implications	Commentary
<b>Finance</b>	<p>Provision for an increase has been included in the draft 2025/2026 budget in line with the staff pay award as recommended by the Panel.</p> <p>If Members were minded to alter the levels of the allowances over and above those recommended by the Panel, this would be above the provision included in the draft budget.</p> <p>Rachel Ainsworth, Finance Business Partner, 11 February 2025: It is correct that the 25/26 provision is in line with the staff pay award and that financial provision has not been made for any further increases.</p>
<b>Legal</b>	<p>The Local Authorities Members' Allowances (England) Regulations 2003 ("the Regulations") require the Council to make a scheme in relation to the payment of Member's allowances.</p> <p>The Regulations also require the Council to establish an independent remuneration panel in order to review these allowances and for the Council to have regard to the recommendations of the said panel before making any amendments to the scheme.</p> <p>This report sets out the conclusions of CDC's independent remuneration panel in line with the Regulations and the Council should consider the same before deciding how to proceed.</p> <p>Denzil – John Turbervill, Head of Legal, 10 February 2024</p>
<b>Risk Management</b>	<p>There are no risks or implications arising directly from this report. Operational risks are managed and monitored at a service level, and escalated to the leadership risk register as and when deemed necessary.</p> <p>Celia Prado-Teeling, Performance Team Leader, 10 February 2025</p>

<b>Impact Assessments</b>	<b>Positive</b>	<b>Neutral</b>	<b>Negative</b>	<b>Commentary</b>
<b>Equality Impact</b>		X		There are no equalities implications arising directly from this report. Celia Prado-Teeling, Performance Team Leader, 10 February 2025
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		N/A
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		N/A
<b>Climate &amp; Environmental Impact</b>				N/A
<b>ICT &amp; Digital Impact</b>				N/A
<b>Data Impact</b>				N/A
<b>Procurement &amp; subsidy</b>				N/A
<b>Council Priorities</b>	N/A – report submitted pursuant to statutory requirement			
<b>Human Resources</b>	N/A			
<b>Property</b>	N/A			
<b>Consultation &amp; Engagement</b>	Detailed at section 8.0 of the Panel’s report, Appendix 1.			

## Supporting Information

### 3. Background

3.1 As set out in the Executive summary, paragraphs 2.1 – 2.3.

## 4. Details

### Members' Allowances 2025/2026

4.1 Having given due consideration to the information provided to the Independent Remuneration Panel, the Panel recommends Full Council agree the following for inclusion in the Members' Allowance Scheme 2025/2026 (NB. the Members' Allowance Scheme corresponds to the financial year rather than municipal year and the 2025/2026 Scheme will therefore cover the period 1 April 2025 – 31 March 2026)

- a. That the Basic Allowance be increased in in line with the 2025/2026 staff pay award (3.5%), rounded up to give 12 equal payments from 1 April 2025.

	Current level 2024/2025	Proposed 2025/2026 level
Basic Allowance	£5,040 pa	£5,220 pa

- b. That all Special Responsibility Allowances be increased in in line with the 2025/2026 staff pay award (3.5%), rounded up to give 12 equal payments from 1 April 2025.

Special Responsibility Allowance	Current level 2024/2025	Proposed 2025/2026 level
Chairman of the Council	£5,040 pa	£5,220 pa
Leader of the Council	£16,032 pa	£16,596 pa
Deputy Leader of the Council	£10,344 pa	£10,716 pa
Executive Member holding a portfolio	£7,476 pa	£7,740 pa
Leader of Main Opposition Group	£3,468 pa	£3,600 pa
Minority Opposition Group Leader (6 or more Members)	50% of Main Opposition Group Leader SRA	50% of Main Opposition Group Leader SRA
Minority Opposition Group Leader (2-5 Members)	25% of Main Opposition Group Leader SRA	25% of Main Opposition Group Leader SRA
Chairman of Accounts, Audit and Risk Committee	£4,164 pa	£4,320 pa
Chairman of Appeals Panel	£300 SRA plus £300 per meeting to a capped limit of £1800 per annum	£312 SRA plus £312 per meeting to a capped limit of £1872 per annum
Chairman of Budget Planning Committee	£4,164 pa	£4,320 pa
Chairman of General Licensing Committee / Licensing Acts Committee	£888 pa	£924 pa

Chairman of Overview and Scrutiny Committee	£4,164 pa	£4,320 pa
Chairman of Personnel Committee	£1,488 pa	£1,548 pa
Chairman of Planning Committee	£4,980 pa	£5,160 pa
Chairman of Standards Committee	£888 pa	£924 pa

- c. That the co-optees allowance be increased in line with the staff pay award for 2025/2026 (3.5%) and rounded up to give 12 equal payments from 1 April 2025.

	Current level 2024/2025	Proposed 2025/2026 level
Co-optee Allowance	£864 pa	£900pa

- d. That the Independent Persons allowance be increased in line with the staff pay award for 2025/2026 (3.5%) and rounded up to give 12 equal payments from 1 April 2025.

	Current level 2024/2025	Proposed 2025/2026 level
Independent Persons Allowance	£864 pa	£900pa

- e. That Dependant' Carers' and Childcare Allowances remain at the current level, paid on the basis of the actual costs incurred up to the maximum hourly rate set out below and to a maximum cap of 40 hours per month, subject to production of receipts and which cannot be paid to a member of the claimant's household.

	Current level 2024/2025	Proposed 2025/2026 level
Childcare	£10 per hour	£10 per hour
Dependent relative care	£20 per hour	£20 per hour

- f. That mileage remain at the current level in line with HMRC approved mileage rates and if any adjustments are implemented by HMRC then the revised rates be applied to Members' travel allowances effective from the date of implementation by HMRC.

	Current level 2024/2025	Proposed 2025/2026 level
Bicycles	20p per mile	20p per mile
Motorcycles	20p per mile	20p per mile
Motor vehicles	24p per mile	24p per mile
Electric vehicles	45p per mile	45p per mile

- g. That, having regard to the detailed review of staff subsistence, the rates for subsistence allowance be aligned with the revised maximum staff subsistence levels, with claims permitted on approved duties of over 5 hours outside the district\* subject to the submission of receipts (\*subsistence allowances cannot

be claimed for any duties within the district as the basic allowance is deemed to cover all within district expenses).

	Current level 2024/2025	Proposed 2025/2026 level
Breakfast	£6.02	£7.50
Lunch	£8.31	£10.50
Tea / coffee	N/A	£4.00
Evening Meal	£10.29	£12.50

- h. That Democratic Services continue to book overnight accommodation if required.
- i. That there be no change to the list of approved duties for which claims may be made.
- j. That Non-Executive Director allowances be increased in line with the staff pay award for 2025/2025 (3.5%) rounded up to give 12 equal payments, from 1 April 2025 and costs recharged to the relevant company.

	Current level 2024/2025	Proposed 2025/2026 level
Non-Executive Directors Graven Hill Village Holding Company Limited and Graven Hill Village Development Company	£4,980 pa	£5,160

- k. That an in-depth “root and branches” review of the Members’ Allowance Scheme be undertaken with implementation to be determined when further information on local government reorganisation, devolution and the Cherwell boundary review is known.

## 5. 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 modify the Panel’s recommendations. This is within the Council’s discretion as the Panel recommendations are not binding. However, it is not recommended as the Panel has considered and justified the recommendations that it has made

## 6 Conclusion and Reasons for Recommendations

- 6.1 The Local Government Act 2000 and the Local Authorities (Members’ Allowances) (England) Regulations 2003 require local authorities to review their Allowances Schemes and to maintain and Independent Remuneration Panel to consider and

make recommendations on new schemes. The report complies with that requirement.

- 6.2 Sections 9 - 14 of the Panel's report (Appendix 1) set out the rationale for the recommendations of the Panel. It is the view of the Independent Remuneration Panel that the proposals represent realistic and fair levels of allowance for 2025/2026 and recommend adoption.

## Decision Information

<b>Key Decision</b>	N/A
<b>Subject to Call in</b>	N/A
<b>If not, why not subject to call in</b>	N/A
<b>All</b>	All

## Document Information

<b>Appendices</b>	
<b>Appendix 1</b>	Report of the Independent Remuneration panel on the Review of Members' Allowances for the 2026/2026 Financial Year
<b>Background Papers</b>	None
<b>Reference Papers</b>	None
<b>Report Author</b>	Michael Carr, Interim Principal Officer Scrutiny and Democratic Lead
<b>Report Author contact details</b>	<a href="mailto:democracy@cherwell-dc.gov.uk">democracy@cherwell-dc.gov.uk</a> 01295 221534
<b>Corporate Director Approval (unless Corporate Director or Statutory Officer report)</b>	Report of Statutory Officer, Monitoring Officer

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***Cherwell***  
DISTRICT COUNCIL  
NORTH OXFORDSHIRE

**Report of the Independent  
Remuneration Panel  
on the Review of Members' Allowances for the  
2025/2026 Financial Year**

**for**

**Cherwell District Council**

February 2025

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## Summary and Recommendations

### 1.0 Summary

- 1.1 The Independent Remuneration Panel (“the Panel”) has carried out a full review of the Cherwell District Council Members’ Allowances Scheme (“The Scheme”). This report sets out the Panel’s recommendations.
- 1.2 The Local Authorities (Members' Allowances) (England) Regulations 2003, specifically Regulation 19, provide that before an authority makes or amends a scheme of allowances, the authority shall have regard to the recommendations made in relation to it by an independent remuneration panel. The Council is required to have regard to the advice of the Panel on the levels and types of allowances to be paid under the Scheme.
- 1.3 "In 2024, the Panel recommended that the Basic Allowance and all Special Responsibility Allowances be increased in line with the staff pay award, once agreed (rounded up if necessary to ensure 12 equal payments), and backdated to 1 April 2024. This recommendation was approved by Full Council on 26 February 2024. The staff pay award of 4% was agreed in autumn 2024 and then applied to the Basic and Special Responsibility Allowances."
- 1.4. In reaching its recommendations for the 2025/2026 Members’ Allowance Scheme, the Panel has carefully considered all of the submissions and representations made to it and the additional evidence that was available. In accordance with the Panel’s terms of reference, it has looked at the relevant elements of the Council’s existing Members’ Allowance Scheme.
- 1.5 The Panel continues to consider that the increasing complexity, additional responsibilities and burden of local government make it imperative for individuals representing all sections of society to be able to stand for election as councillors.
- 1.6 The Panel believes that this review of the Scheme and the recommendations it has made will give the Council a sound and comprehensive scheme of allowances until it is reviewed again.
- 1.7 The Panel thanked the Democratic and Elections Team who advised and supported the Panel for the information provided to assist in their work.
- 1.8 The Panel thanked Members for completing the Annual Members’ Allowance Survey which saw a significant increase in responses to the survey compared to last year.

## 2.0 Recommendations to Council

Having given due consideration to the information provided to the Panel, it recommends Full Council agree the following for inclusion in the Members' Allowance Scheme 2025/2026:

- (a) That the Basic Allowance be increased in in line with the 2025/2026 staff pay award (3.5%), rounded up to give 12 equal payments from 1 April 2025.

	Current level 2024/2025	Proposed 2025/2026 level
Basic Allowance	£5,040 pa	£5,220 pa

- (b) That all Special Responsibility Allowances be increased in in line with the 2025/2026 staff pay award (3.5%), rounded up to give 12 equal payments from 1 April 2025.

Special Responsibility Allowance	Current level 2024/2025	Proposed 2025/2026 level
Chairman of the Council	£5,040 pa	£5,220 pa
Leader of the Council	£16,032 pa	£16,596 pa
Deputy Leader of the Council	£10,344 pa	£10,716 pa
Executive Member holding a portfolio	£7,476 pa	£7,740 pa
Leader of Main Opposition Group	£3,468 pa	£3,600 pa
Minority Opposition Group Leader (6 or more Members)	50% of Main Opposition Group Leader SRA	50% of Main Opposition Group Leader SRA
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Chairman of Standards Committee	£888 pa	£924 pa

- (c) That the co-optees allowance be increased in line with the staff pay award for 2025/2026 (3.5%) and rounded up to give 12 equal payments from 1 April 2025.

	Current level 2024/2025	Proposed 2025/2026 level
Co-optee Allowance	£864 pa	£900 pa

- (d) That Independent Persons allowance be increased in line with the staff pay award for 2025/2026 (3.5%) and rounded up to give 12 equal payments from 1 April 2025.

	Current level 2024/2025	Proposed 2025/2026 level
Independent Persons Allowance	£864 pa	£900 pa

- (e) That Dependants' Carers' and Childcare Allowances remain at the current level, paid on the basis of the actual costs incurred up to the maximum hourly rate set out below and to a maximum cap of 40 hours per month, subject to production of receipts and which cannot be paid to a member of the claimant's household.

	Current level 2024/2025	Proposed 2025/2026 level
Childcare	£10 per hour	£10 per hour
Dependant relative care	£20 per hour	£20 per hour

- (f) That mileage remain at the current level in line with HMRC approved mileage rates and if any adjustments are implemented by HMRC then the revised rates be applied to Members' travel allowances effective from the date of implementation by HMRC.

	Current level 2024/2025	Proposed level for 2025/2026
Bicycles	20p per mile	20p per mile
Motorcycles	24p per mile	24p per mile
Motor Vehicles	45p per mile	45p per mile
Electric vehicles	45p per mile	45p per mile

- (g) That, having regard to the detailed review of staff subsistence, the rates for subsistence allowance be aligned with the revised maximum staff subsistence levels with claims permitted on approved duties of over 5 hours outside the district\* subject to the submission of receipts (\*subsistence allowances cannot be claimed for any duties within the district as the basic allowance is deemed to cover all within district expenses).

	Current level 2024/2025	Proposed 2025/2026 level
Breakfast	£6.02	£7.50
Lunch	£8.31	£10.50
Tea / coffee	N/A	£4.00
Evening Meal	£10.29	£12.50

- (h) That Democratic Services continue to book overnight accommodation if required.
- (i) That there be no change to the list of approved duties for which claims may be made.
- (j) That Non-Executive Director allowances be increased in line with the staff pay award for 2025/26 (3.5%) rounded up to give 12 equal payments from 1 April 2025 and costs recharged to the relevant company:

	Current level 2024/2025	Proposed 2025/2026 level
Non-Executive Directors Graven Hill Village Holding Company Limited and Graven Hill Village Development Company	£4,980 pa	£5,160

- (k) That an in-depth (“root and branches”) review of the Members’ Allowance Scheme be undertaken with implementation to be determined when further information on local government reorganisation, devolution and the Cherwell boundary review is known.

## The Panel’s Report

### 3.0 Introduction

- 3.1 The Local Government Act 2000 and the Local Authorities (Members’ Allowances) (England) Regulations 2003 require local authorities to review their Allowances Schemes and to maintain the Panel to consider and make recommendations on new schemes.
- 3.2 The Regulations set out that the following issues are to be addressed by the Panel:
- Basic Allowance: each local authority must make provision for a basic, flat rate allowance for all elected Members. The allowance must be the same for all Members and can either be paid in a lump sum or in instalments.
  - Special Responsibility Allowance (SRA): each local authority may make provision for the payment of SRAs to elected Members who have significant responsibilities. The Panel has to recommend the responsibilities that should be remunerated and the levels of allowance.
  - Co-optees’ Allowance: each local authority may make provision for the payment of an allowance to co-optees’ for attending meetings, conferences, and seminars.
  - Childcare and dependants’ carers’ allowance: each local authority may make provision for the payment of an allowance to elected Members who incur expenditure for the care of children or dependant relatives whilst undertaking particular duties.

- Travel and subsistence: each local authority may determine the levels of travel and subsistence allowances and the duties to which they should apply.
  - Indexation: each local authority may determine that allowances should be increased in accordance with a specified index and can identify the index and set the number of years (not exceeding four) for which it should apply.
  - Backdating: each local authority may determine that, where allowances are made to an allowance scheme, the allowances as amended may be backdated.
- 3.3 All Councils are required to convene their Panel and seek its advice before they make any changes or amendments to their Members' Allowances Scheme. Elected Members must "have regard" to their Panel's recommendations before setting a new or amended Members' Allowance Scheme.
- 3.4 Following the meeting of the Independent and Parish Remuneration Panel in December 2023, the Panel recommended to Council that the Members' Basic Allowance and all Special Responsibility Allowances (SRA) be increased in line with the staff pay award, when agreed, rounded up to give 12 equal payments and backdated to 1 April 2024.
- 3.5 All of the Panel's recommendations for the 2024/2025 Scheme were considered and agreed by Full Council on 26 February 2024. The staff pay award of 4% was agreed in autumn 2024 and applied to Members' Allowances and backdated to 1 April 2024. The 2024/25 Scheme was subsequently updated to reflect the agreement reached on the increase.
- 3.6 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 2025-2026 in respect of:
- i. the levels of Basic and Special Responsibility Allowances (SRAs)
  - ii. An SRA for Minority Opposition Group Leaders
  - iii. Any adjustments or changes to levels of any other SRAs
  - iv. Co-optees Allowance
  - v. Independent Persons allowance
  - vi. Travelling (mileage) allowances



- vii. Subsistence allowances
  - viii. Dependants' carers' and childcare allowances
  - ix. Non-Executive Directors on Council Owned Companies
  - x. Review of the Members' Allowances Scheme and Indexation.
- 3.7 For information, throughout this report, all year references throughout this report, "2024/2025" and "2025/2026" refer to the financial years. The terms "Members" and "councillors" are used interchangeably throughout the report,

#### **4.0 The Independent Remuneration Panel**

- 4.1 The current membership of the Panel is:

Ms Jeanette Baker  
Mr Andrew Hodges  
Mr David Shelmerdine  
Mr Christopher White

- 4.2 The Panel met on 6 December 2024 to consider and agree its recommendations for 2025/2026 financial year. Mr David Shelmerdine sent his apologies for the meeting.

- 4.3 Mr Christopher White was appointed as Chairman of the Panel.

- 4.4 Denzil Turbervill – Head of Legal Services, Natasha Clark - Governance and Elections Manager and Michael Carr - Interim Principal Officer – Scrutiny & Democratic Lead (Clerk), provided the Panel with administrative advice and support.

#### **5.0 Terms of Reference of the Panel**

- 5.1 The Panel's terms of reference as originally agreed by the Council when the Panel was first constituted (as amended by the 2003 Consolidating Regulations which relate to the determination of local schemes for travelling and subsistence allowance) are outlined in its reports dated 3 July 2001 and 4 July 2003.
- 5.2 The principal matters on which the Panel can make recommendations are set out in the introduction of this report. As the Panel currently meets annually to review the Scheme and make recommendations for the forthcoming financial year, indexation is not currently applied to the allowance scheme.
- 5.3 It is possible for the Council to apply indexation and for the Scheme to be confirmed on that basis annually for a period of up to four years. In this instance,

Council would need to amend the Terms of Reference of the Independent Remuneration Panel that currently state it meets annually and to agree any level of indexation such as any annual pay award to staff.

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

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

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

- i. the allowances should take account, as far as possible, of the amount of time taken by Members to fulfil their roles.
- ii. the scheme should ensure, as far as practicable, that as wide a range of people as possible should be able to stand for election and that they should not be financially penalized in so doing. This, in turn, should increase the likelihood of an inclusive approach to council services.
- iii. the levels of the allowances should not be treated as salary but rather as a level of 'compensation' and recognition of the time and level of responsibility that such public duty requires.
- iv. that an element of Members' time in terms of their work as a Councillor should be treated as voluntary and therefore should not be remunerated.
- v. 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.
- vi. 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 residents 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.
- vii. the reviewed Scheme should continue to be subject to well informed periodic reviews.

## **7.0 The Work of the Panel**

- 7.1 The Panel had previously determined the underlying principles on which the levels of Members' Allowances should be based, as outlined at paragraph 6.2 above.
- 7.2 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 Executive Members, committee chairmen, the Council Chairman and Opposition Group Leader(s). It is important to highlight that the focus of the review is on the roles rather than the individuals who occupy them.
- 7.3 The Panel was aware of the responsibilities and workloads of Executive members with their specific portfolios.
- 7.4 The Panel noted the additional workload and complexity in the role of the Leader of the Council in leading the political direction of the Council, considerable responsibility for delivering the Council's budget and policy framework and steering the partnership dimension of the Council.
- 7.5 The Panel also had regard to the roles of the Chairman of the Council and Committee Chairmen and Opposition Group Leaders.
- 7.6 As part of its review, the Panel considered the following information which informed its conclusions:
- i. a copy of the Council's Members' Allowances Scheme for 2024/2025
  - ii. a comparison of neighboring authority Members' Allowances
  - iii. comparative data from the Members' Allowances survey undertaken by South East Employers which outlines the basic, special responsibility and other allowance payments made by Council's in the South East Region
  - iv. the overall financial position of the Council
  - v. the general economic climate
  - vi. any recent changes in the roles, responsibilities, and workload of specific Member post
  - vii. a summary of Members' responses to the Annual Survey (further details of the survey are set out in section 8)

- viii. any additional comments Members wished to make in respect of the current allowance scheme
- ix. the discussions with the Members who spoke to the Panel
- x. the increase in cost of living and level of CDC staff pay awards.

**8.0 Members' Allowance Scheme Annual Survey**

8.1 The Panel continues to place great importance on the information gathered by way of the Annual Survey. The purpose of the Annual Survey is to determine:

- i. the amount of time Members estimate they spend on Council business during an average month
- ii. Members views on the adequacy, or otherwise, of the current levels of Members' Allowances at the Council; and
- iii. whether Members would like to address the Panel in person.

8.2 The Annual Survey had been circulated to all 48 elected Members. 29 surveys were returned, which represents 60% of the Council's membership.

8.3 The Panel was very grateful to those Members who responded to the survey. The Panel believes that the information requested was vital undertaking proper and meaningful review.

8.4 Results from questions 1 – 4 of the 29 surveys received were as follows:

**Question 1 – How long have you been a Councillor?**

- Less than 1 year        6
- 1 – 4 years             16
- 4 – 8 years             3
- 8 – 12 years            0
- Over 12 years          4

**Question 2 – What is your current role?**

- Leader of the Council/Leader of Opposition/Group leader        2
- Deputy Leader of the Council Deputy Leader of                     4  
  Opposition/Deputy Group Leader
- Chairman/Vice Chairman of the Council                            0
- Executive Member    4
- Committee Chairman/Vice Chairman                                 2
- None of the above    15

- Prefer not to say

2

**Question 3 – What is your employment status?**

- Retired 6
- Employed full time 11
- Employed part time 4
- Self Employed 6
- Not Employed 2
- Other 0

**Question 4 - How many hours do you spend on Council work each month?**

- 0 hours 2
- 10 hours 2
- 15 hours 1
- 20 hours 3
- 30 hours 3
- 45 hours 1
- 50 hours 2
- 80 hours 1
- 90 1
- 100 hours 7

8.5 Questions 5 – 9 sought comments from Members on the level of basic allowance, SRA, travel, subsistence, childcare and dependants’ carers’ allowances, time commitment and voluntary aspects of time given and any additional comments.

- (a) Of the respondents who responded and receive an SRA, 15 considered that an average of 21 hours per month related to the post for which the SRA was received. Five respondents who receive an SRA gave an answer of other.
- (b) 24 respondents considered that part of their time was given on a voluntary basis.
- (c) With regards to the current rate of member allowances and the workload associated with the role and if it was thought to be adequate:
  - 19 Members thought that the allowance should be increased in line with any cost of living percentage changes in the CDC officer pay rates
  - Six thought it should be increased by an amount not linked to CDC officer cost of living pay awards.
  - None (0) considered the allowance should be frozen at the current level, and

- Three thought that Members' Allowances should be assessed every 4 years and an automatic increase matching the staff annual cost of living pay award is applied.
- (d) One respondent commented on current levels of Basic and Special Responsibility allowances as follows:
- “In my view allowances at CDC are fairly low and should at least increase each year in line with the above, to allow people of working age to undertake senior roles given the time commitment involved, as well as to provide incentive for people from all backgrounds and incomes to participate as councillors”.
- (e) With regards to Dependants' Carers' Allowance, Childcare Allowance, Travel and Subsistence Allowances, respondents made the following comments:
- “No Milage allowance when visiting parish council meeting sorry”
  - “Travel allowance does not seem to keep up with inflation.”
  - “I have children and I find it challenging to claim / organise support in this area using the current scheme.”
  - “Not yet claimed my mileage allowance despite being quite a long way. I'm told by a fellow councillor it is a pain.”
- (f) The following additional comments were made by 13 of the respondents:
- “Allowances should include costs of working from home, personal printers, phones, gas and electricity etc”.
  - “For some portfolio holders the SRA does not compensate for the hours spent on the role.”
  - “CDC councillor allowances are some of the lowest in Oxfordshire. Many dedicated councillors put a significant amount of work into their role. Whilst there is definitely a voluntary aspect, that doesn't mean there shouldn't be fair compensation for the number of hours that are spent working on behalf of the council and residents. In many cases there are requirements to attend meetings at antisocial hours and that should be acknowledged. In some European countries councillors are paid a proper living wage. I think it's about time we started doing the same. That would encourage more people from other backgrounds to become councillors, rather than just those with private wealth or pensions.”
  - “Nothing additional other than to repeat I think the scheme is needed to allow councillors to offset earnings lost elsewhere from the time involved in carrying out our duties.”
  - “Should be in line with OCC.”
  - “I think it should be increased in accordance with other allowances in local government in this category.”

- “Vice Chair should receive some sort of SRA Allowance. Breaking down the hourly rate it works out very low. I appreciate we don't get involved for financial reasons!!”
- “I now realise how important it is to have an allowance scheme, in order to attract people from all walks of life to apply to become a councillor and engage with local politics.”
- “The mileage rate for bicycle travel is 20p / mile (running costs may be a couple of tyres and break blocks - e.g., pennies. Mileage rate for motorcycle is 24p/mile!! (Running costs very similar to a car requiring insurance, VED, MOT, plus a couple of much more expensive tyres and maintenance costs and certified protective clothing! Hardly covered by the 4p a mile difference between a human powered bicycle and a motor bicycle?). Maybe make representation to the Government to get this anomaly corrected please?!”
- “I think some form of regular allowance for those with dependants would be helpful.”
- “Might need to consider, to attract new members in future, more allowances.”
- “Being a councillor cannot be the reserve of the retired and financially secure. Finance puts younger people off entering public life.”
- “the member’s allowance is about right amount.”

8.6 Of the Members who requested to address the Panel, Councillor Barry Wood was able to attend when the Panel’s meeting was scheduled.

## **9.0 Basic Allowance**

9.1 The Panel considered the level of Basic Allowance. It is required in the relevant legislation that a Basic Allowance of the same value be provided to all members of the Council. The allowance is intended to remunerate councillors for their time spent as a councillor, covering incidental costs incurred by them as ordinary members of the Council, including the use of their homes.

9.2 The Panel has previously consistently used the annual pay settlement for Cherwell District Council (CDC) staff as one of their main considerations for recommending adjustment to the levels of the Basic and SRA paid to Members. This year it was again proposed that for the current year the review of the Basic Allowance should reflect the 3.5% increase agreed as part of the staff pay award for 2025/2026.

9.3 Having regard to the various calls on councillors’ time, conscious that a proportion of time is voluntary, the levels of basic allowance paid by comparator councillors, and taking into particular consideration the current economic climate and the comments from the Members’ survey:

**The Panel recommends:**

- (a) That the Basic Allowance be increased in in line with the 2025/2026 staff pay award (3.5%), rounded up to give 12 equal payments from 1 April 2025.

	Current level 2024/2025	Proposed 2025/2026 level
Basic Allowance	£5,040 pa	£5,220 pa

**10.0 Special Responsibility Allowances (SRA)**

- 10.1 The Panel reviewed the Special Responsibility Allowances (SRA).
- 10.2 In line with its recommendation to increase the Basic Allowance for 2024/2025, the Panel agreed that SRA should be increased on the same terms.

**The Panel recommends:**

- (b) That all Special Responsibility Allowances be increased in in line with the 2025/2026 staff pay award (3.5%), rounded up to give 12 equal payments from 1 April 2025.

Special Responsibility Allowance	Current level 2024/2025	Proposed 2025/2026 level
Chairman of the Council	£5,040 pa	£5,220 pa
Leader of the Council	£16,032 pa	£16,596 pa
Deputy Leader of the Council	£10,344 pa	£10,716 pa
Executive Member holding a portfolio	£7,476 pa	£7,740 pa
Leader of Main Opposition Group	£3,468 pa	£3,600 pa
Minority Opposition Group Leader (6 or more Members)	50% of Main Opposition Group Leader SRA	50% of Main Opposition Group Leader SRA
Minority Opposition Group Leader (2-5 Members)	25% of Main Opposition Group Leader SRA	25% of Main Opposition Group Leader SRA
Chairman of Accounts, Audit and Risk Committee	£4,164 pa	£4,320 pa



Chairman of Appeals Panel	£300 SRA plus £300 per meeting to a capped limit of £1800 per annum	£312 SRA plus £312 per meeting to a capped limit of £1872 per annum
Chairman of Budget Planning Committee	£4,164 pa	£4,320 pa
Chairman of General Licensing Committee / Licensing Acts Committee	£888 pa	£924 pa
Chairman of Overview and Scrutiny Committee	£4,164 pa	£4,320 pa
Chairman of Personnel Committee	£1,488 pa	£1,548 pa
Chairman of Planning Committee	£4,980 pa	£5,160 pa
Chairman of Standards Committee	£888 pa	£924 pa

## 11.0 Co-optee Allowance

- 11.1 In considering co-optee allowance, the Panel noted that there are currently no co-optees but agreed a consistent approach to increase this allowance in line with the Basic Allowance and SRA's.

### The Panel recommends:

- (c) That the co-optees allowance be increased in line with the staff pay award for 2025/2026 (3.5%) and rounded up to give 12 equal payments from 1 April 2025.

	Current level 2024/2025	Proposed 2025/2026 level
Co-optee Allowance	£864 pa	£900 pa

## 12.0 Independent Persons Allowance

- 12.1 The Council currently has two Independent Persons, who support the Monitoring Officer with code of conduct matters and two Independent Persons who are non-voting members of the Accounts, Audit and Risk Committee.
- 12.2 The Panel agreed that a consistent approach to the increase in this allowance in line with the increase for the Basic Allowance and SRAs.

**The Panel recommends:**

- (d) That the Independent Persons allowance be increased in line with the staff pay award for 2025/2026 (3.5%) and rounded up to give 12 equal payments from 1 April 2025.

	Current level 2024/2025	Proposed 2025/2026 level
Independent Persons Allowance	£864 pa	£900 pa

**13.0 Dependants' Carers' and Childcare Allowance**

- 13.1 In considering the dependants' carers' and childcare allowances, the Panel noted that these allowances were claimed very infrequently but agreed that the availability of the allowances was extremely important to encourage those with families or care responsibilities to stand as a councillor.
- 13.2 The Panel agreed that the dependants' carers' and childcare allowance should be maintained with no change to the rates payable.
- 13.3 All conditions to claim the allowance would remain the same.

**The Panel recommends:**

- (e) That Dependants' Carers' and Childcare Allowances remain at the current level, paid on the basis of the actual costs incurred up to the maximum hourly rate set out below and to a maximum cap of 40 hours per month, subject to production of receipts and which cannot be paid to a member of the claimant's household.

	Current level 2024/2025	Proposed 2025/2026 level
Childcare	£10 per hour	£10 per hour
Dependant relative care	£20 per hour	£20 per hour

**14.0 Travelling and Subsistence Allowances**

- 14.1 In reviewing the current level of Travelling and Subsistence Allowances, the Panel noted that all travel rates are set at the specified HM Revenues and Customs (HMRC) 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 motorcycle or motor vehicle concerned and remain the

same. These rates remain unchanged. Should the rates change, any change should be applied to the rates in the Members' Allowances Scheme.

- 14.2 In relation to Subsistence Allowances, the Panel had originally 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 (including mortgages). Since 1996 when the National Joint Council for Officers ceased to produce nationally agreed subsistence rate for local government staff, subsistence rates have been a subject for local determination. The Council had applied the Local Government Association rates. The Panel agreed that the staff levels should be used going forward.
- 14.3 The Panel was advised that a review of the staff Travel and Subsistence policy had been undertaken in the summer with a revised Policy agreed by the Personnel Committee in September 2024.
- 14.4 Noting the review, the Panel agreed that the same maximum subsistence levels should be applied to the Members' Allowance Scheme. With regards subsistence claims, having regard to the staff Policy and comparator councils' Members' Allowances Schemes, the Panel agreed to recommend that claims for subsistence should only be for approved duties outside the district. It was considered that subsistence claims should not be claimed for any approved duties in the district as the basic allowance is deemed to cover all within district costs.
- 14.4 Expenses incurred by councillors appointed as Non-Executive Directors of companies will continue to be paid at the same rate and recharged to the relevant company.

**The Panel recommends:**

- (e) That mileage remain at the current level in line with HMRC approved mileage rates and if any adjustments are implemented by HMRC then the revised rates be applied to Members' travel allowances effective at the date of implementation by HMRC.

	Current level 2024/2025	Proposed 2025/2026 level
Bicycles	20p per mile	20p per mile
Motorcycles	20p per mile	20p per mile
Motor vehicles	24p per mile	24p per mile
Electric vehicles	45p per mile	45p per mile

- (g) That, having regard to the detailed review of staff subsistence, the rates for subsistence allowance be aligned with the revised maximum staff subsistence levels with claims permitted on approved duties of over 5 hours outside the district\* subject to the submission of receipts (\*subsistence allowances cannot be claimed for any duties within the district as the basic allowance is deemed to cover all within district expenses).

	Current level 2024/2025	Proposed 2025/2026 level
Breakfast	£6.02	£7.50
Lunch	£8.31	£10.50
Tea / coffee	N/A	£4.00
Evening Meal	£10.29	£12.50

- (h) That Democratic Services continue to book overnight accommodation, if required.
- (i) That there be no change to the list of approved duties for which claims may be made.

## **15.0 Non-Executive Directors on Council Owned Companies**

- 15.1 In 2018 it was agreed that Members who were Non-Executive Directors (NED) of both Graven Hill Companies (Graven Hill Development Company Limited, (DEVCO) and Graven Hill Village Holdings Limited (HOLDCO)) should receive an allowance comparable to the Special Responsibility Allowance paid to the Planning Committee Chairman.
- 15.2 In line with the recommendations for SRA's, the Panel agreed to recommend a consistent increase to the NED allowance.
- 15.3 Allowances paid to NEDs are paid through Cherwell District Council and recharged to the companies.

### **The Panel recommends:**

- (j) That Non-Executive Director allowances be increased in line with the staff pay award for 2025/2026 (3.5%), rounded up to give 12 equal payments from 1 April 2025 and costs recharged to the relevant company.

	Current level 2024/2025	Proposed 2025/2026 level
Non-Executive Directors Graven Hill Village Holding Company Limited and Graven Hill Village Development Company	£4,980 pa	£5,160

## **16.0 Review of Members' Allowance Scheme and Indexation**

- 16.1 As set out at paragraph 3.2, each local authority may determine that allowances should be increased in accordance with a specified index, can identify the index and set the number of years (not exceeding four) for which it should apply.
- 16.2 The Panel noted that a council can apply an index to their allowances in circumstances where the only change each year is the application of the index. Many authorities have adopted an indexed scheme whereby allowances are amended annually by the reference to the annual pay award for staff at that authority and takes effect from the date on which the staff award takes effect.
- 16.3 Cherwell District Council does not currently have an indexed scheme, rather the Panel meets annually and makes recommendations to Council for consideration as part of the following years scheme.

## **17.0 Future Review of the Members' Allowance Scheme**

- 17.1 At their meeting, the Panel was updated on the Cherwell boundary review the Local Government Boundary Commission for England had commenced. The review would continue over the next two years with all-out elections taking place on new district boundaries in May 2027.
- 17.2 The Panel agreed that a more "root and branches" review of the Members' Allowance Scheme should be undertaken to align with the district boundary review and to be implemented at the elections scheduled for May 2027.
- 17.3 In mid-December, the Government published a devolution White Paper which will result in new single tier local government structures in Oxfordshire rather than the current two tier structure of Oxfordshire County Council and the district councils and city council.
- 17.4 At this stage we do not know what the new arrangements will be but it is understood that the transition may be relatively rapid. Notwithstanding the Local Government Boundary Commission for England has advised that, at present, the Cherwell boundary review will continue.

17.5 In light of the Government White Paper, the Panel had initially considered withdrawing the recommendation to undertake a “root and branches” review of the Scheme. However, having regard to comments from Group Leaders and Deputy Group Leaders who were briefed on the Panel’s recommendations, the Panel has agreed to retain the recommendation with slightly amended wording to allow for flexibility as further information becomes available on local government reorganisation and devolution.

**The Panel recommends:**

(k) That an in-depth (“root and branches”) review of the Members’ Allowance Scheme be undertaken with implementation to be determined when further information on local government reorganisation, devolution and the Cherwell boundary review is known.

Mr Christopher White (Chairman)  
Independent Remuneration Panel  
December 2024.

<b>This report is public.</b>	
<b>Budget Setting for 2025/26 and the Medium-Term Financial Strategy up to 2029/30</b>	
<b>Committee</b>	<b>Council</b>
<b>Date of Committee</b>	24 February 2025
<b>Portfolio Holder presenting the report</b>	Councillor Lesley Mclean
<b>Date Portfolio Holder agreed report</b>	12 February 2025
<b>Report of</b>	Assistant Director of Finance Michael Furness

## Purpose of report

To consider and approve the Budget Setting for 2025/26 and MTFs 2029/30 as per the recommendations.

## Recommendations

The Council resolves to:

- 1.1 Have regard to the statutory report of the Chief Finance Officer (Section 25 report) at Appendix 3 in approving recommendations 1.2 – 1.9.
- 1.2 Approve the proposed Fees and Charges schedule for 2025/26 (Appendix 7) and statutory notices be placed where required.
- 1.3 Consider and note the Equality Impact Assessments of the Budget (Appendix 8)
- 1.4 In relation to the Corporate Plan (Section 4.1) to:
  - 1.4.1 Approve the Corporate Plan set out in Appendix 1.
  - 1.4.2 Note the Internal Perspectives set out in Appendix 2.
- 1.5 In relation to the Revenue Budget Strategy (Section 4.2) and Medium-Term Financial Strategy (MTFS) (Section 4.5) to approve:
  - 1.5.1 The net revenue budget for the financial year commencing on 1 April 2025, as set out in Table 4.2.1, and further analysed in the Budget Book provided at Appendix 12.
  - 1.5.2 The MTFs and Revenue Budget 2025/26 (Sections 4.5 and 4.2 respectively), including the Savings Proposals and Investments included at Appendices 4 and 5, respectively.

- 1.6 In relation to Council Tax to approve:
- 1.6.1 An increase in the Basic Amount of Council Tax for Cherwell District Council for the financial year beginning on 1 April 2025 of £5, resulting in a Band D charge of £158.50 per annum.
- 1.6.2 For long term empty properties, from 1 April 2025 an additional council tax premium will be charged of 100 per cent for properties empty for one year or more, replacing the current 100 per cent premium that begins after 2 years of a property being empty. All other empty property premiums will remain.
- 1.6.3 It be noted that the Council Tax Base 2025/26 was determined at the Executive meeting held on 6 January 2025:
- a) for the whole Council area as 59,853.6 [item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (“the 1992 Act”)]; and
  - b) For dwellings in those parts of its area to which a Parish Precept relates as in the attached Appendix 21.
- 1.6.4 That the Council Tax requirement for the Council’s own purposes for 2025/26 (excluding Parish Precepts and Special Expenses) is £9,486,796.
- 1.6.5 That the following amounts be calculated for the year 2025/26 in accordance with Sections 31 to 36 of the 1992 Act:
- a) £140,304,768 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (2) of the 1992 Act, taking into account all precepts issued to it by Parish Councils and any additional special expenses.
  - b) £124,192,690 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3) of the 1992 Act.
  - c) £16,112,078 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 1992 Act, as its Council Tax requirement for the year (Item R in the formula in Section 31B of the 1992 Act).
  - d) £269.19 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the 1992 Act, as the basic amount of its Council Tax for the year (including Parish Precepts and Special Expenses).
  - e) £6,625,282 being the aggregate amount of all special items (Parish Precepts and Special Expenses) referred to in Section 34(1) of the 1992 Act as per the attached Appendix 21.
  - f) £158.50 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 1992 Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish Precept or special item relates.

- 1.6.6 It be noted that for the year 2025/26 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 1992 Act, for each category of dwellings in the Council's area as indicated below:

<b>Valuation Band</b>	<b>Oxfordshire County Council</b>	<b>Police and Crime Commissioner for Thames Valley</b>
	£	£
<b>A</b>	1,274.27	188.85
<b>B</b>	1,486.64	220.33
<b>C</b>	1,699.02	251.80
<b>D</b>	1,911.40	283.28
<b>E</b>	2,336.16	346.23
<b>F</b>	2,760.91	409.18
<b>G</b>	3,185.67	472.13
<b>H</b>	3,822.80	566.56

- 1.6.7 The Council, in accordance with Sections 30 and 36 of the 1992 Act, hereby sets the amounts shown in Appendix 22 as the amounts of Council Tax for the year 2025/26 for each part of its area and for each of the categories of dwellings.

- 1.6.8 The Council has determined that its relevant basic amount of Council Tax for 2025/26 is not excessive in accordance with principles approved under Section 52ZB of the 1992 Act.

- 1.7 In relation to the Capital Programme and related strategies (Section 4.3) to approve:

- 1.7.1 The Capital Bid(s) and Capital Programme at Appendices 17 and 18 respectively.

- 1.7.2 The Capital and Investment Strategy 2025/26 (Appendix 19), including the Minimum Revenue Provision (MRP) Policy.

- 1.7.3 The Treasury Management Strategy, including the Prudential Indicators, and Affordable Borrowing Limit for 2025/26 (Appendix 20).

- 1.8 In relation to reserves (Section 4.4) to approve:

- 1.8.1 A minimum level of General Balances of £7.8m as supported by Appendix 15.

- 1.8.2 The Reserves Policy (Appendix 14).

- 1.8.3 The medium-term reserves plan described in Appendix 16.

- 1.9 In relation to the Pay Policy Statement to approve:

- 1.9.1 The Pay Policy Statement, as required by the Localism Act 2010, detailed in Appendix 9.

## **2. Executive Summary**

- 2.1 This report is the culmination of the Budget and Business Planning process for 2025/26 to 2029/30 and sets out the Executive's proposed Corporate Plan and related revenue budget for 2025/26, medium term financial strategy to 2029/30, capital programme to 2029/30 and all supporting policies, strategies, and information to recommend to Council.
- 2.2 The council adopts a forward looking and anticipatory approach to its financial management. The council plans for, and continues to succeed in, encouraging and facilitating economic growth across the district. This success flows through to the council's finances, reflected in the level of income received from business rates and the New Homes Bonus grant.
- 2.3 The council has proactively monitored both the economic situation and government announcements over the past 12 months and devised and implemented a budget and business planning strategy that has delivered within the constraints identified, consulting on a proposed balanced budget in November 2024. The council has considered the risk of interest rate volatility and regularly monitors the change in interest rates. A large proportion of the council's debt is held at fixed rates reducing the council's exposure. However, if interest rates do not fall in line with the forecasts provided by the council's treasury advisor, then it has set aside an interest rate risk reserve as a further mitigation.
- 2.4 The proposed net budget for the council is £26.2m, which is a decrease of £0.8m from 2024/25. The council plans to fund £0.4m of service investments and will deliver £1.4m of savings proposals and operational efficiencies as part of the 2025/26 budget. A Band D Council Tax of £158.50 is proposed for the year which is an increase of £5 compared to 2024/25. The Capital Programme for the period 2025/26 – 2029/30 is proposed to be £33m.
- 2.5 The government indicated that councils would be reimbursed for the impact of increased Employer's National Insurance. The methodology used in the final settlement is different to that proposed in the provisional finance settlement. This has reduced the amount of grant due to the council by £0.117m compared to the amount included in the report to the Executive 3 February 2025. This has been reflected in the budget for 2025/26 by reducing the contribution to reserves.
- 2.6 Under Section 25 of the Local Government Act 2003, the Chief Finance Officer is required to report on the robustness of the estimates made in determining the council tax requirement and on the adequacy of the proposed financial reserves. This assessment is set out in Appendix 3 of the report. Council is required to have due regard to this report in making their decisions on the budget.

## Implications & Impact Assessments

Implications	Commentary
<p><b>Finance</b></p>	<p>The financial implications are set out in this report. The council has a statutory duty to set a balanced budget and could be subject to intervention of the Secretary of State if it failed to do so.</p> <p>Members should be aware that Section 106 of the 1992 Local Government Finance Act 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.</p> <p>Joanne Kaye - Head of Finance, 10 February 2025</p>
<p><b>Legal</b></p>	<p>The Council is legally required to set a balanced budget each year together with a requirement to produce a Revenue Budget under the various Local Government Finance Acts. The legal framework for which is set out in the main body of this report. Officers consider the recommendations will achieve this if approved by full Council.</p> <p>Section 65 of the Local Government Finance Act 1992 requires that the Council must consult persons or bodies appearing to it to be representative of persons subject to non-domestic rates in its area about the Council's proposals for expenditure (including capital expenditure) in the financial year. The Council must do this each year and do so before the budget decision making meeting (makes it calculations for the council tax requirement) in relation to the financial year.</p> <p>The statutory consultation outlined above has taken place alongside a more general consultation with the wider public on the draft budget and budget priorities. The savings proposals have been consulted upon as appropriate, and further consultations may be required prior to implementing certain proposals.</p> <p>Members must have regard to the s25 report of the s151 officer as to the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves.</p> <p><b>The Public Sector Equality Duty S149 (1) requires a Local Authority in exercise of its functions to have due regard to the need to:</b></p> <p style="padding-left: 40px;"><b>(a) Eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act.</b></p>

	<p><b>(b) Advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.</b></p> <p><b>(c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.</b></p> <p><b>Decision makers must keep the above requirements in mind when making decisions.</b></p> <p>Shiraz Sheikh, Monitoring Officer Assistant Director Law &amp; Governance. 14 February 2025</p>			
<b>Risk Management</b>	<p>The risk of Executive recommending the budget proposals contained in this report is that Council will not approve the proposed budget. This has been mitigated by the Executive having consulted with Budget Planning Committee and the Accounts Audit and Risk Committee on the specific budget proposals, policies, and strategies. This and any further arising risks are being managed and monitored through the service operational risk and the leadership risk register.</p> <p>Shona Ware, Assistant Director Customer Focus, 12 February 2025</p>			
<b>Impact Assessments</b>	Positive	Neutral	Negative	Commentary
<b>Equality Impact</b>	X			<p>The Equality Act 2010 imposes a duty on local authorities that, when making decisions of a strategic nature, decision makers must exercise “due regard to the need to eliminate unlawful discrimination... advance equality of opportunity... and foster good relations”.</p> <p>Shona Ware, Assistant Director Customer Focus, 12 February 2025</p>
<b>A</b> Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		<p>In line with the council’s Equalities framework, Including Everyone services have carried out Equalities Impact Assessments (EIAs) to ensure budget savings proposals will not discriminate or disadvantage the any of the district’s diverse communities. The overarching EIA, taking into account the overall impact of the budget proposals, is published as Appendix 8.</p>
<b>B</b> Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		

<b>Climate &amp; Environmental Impact</b>				Sustainability implications are included in Section 4.6 of this report.  Jo Miskin, Climate Action Manager, 12 February 2025
<b>Council Priorities</b>	All			
<b>Consultation &amp; Engagement</b>	<p>The council sought the views of residents and businesses during the period of 22 November 2024 until 23 December 2024.</p> <p>The Budget Planning Committee considered the revenue budget savings proposals, service investments, capital bid(s) and fees and charges in a report on 10 December 2024. Budget Planning Committee had no comments to feed back to the Executive. Budget Planning Committee also considered and recommended the 2025/26 planned reserves levels and Capital and Investment Strategy at its meeting on 21 January 2025.</p> <p>The Accounts, Audit and Risk Committee considered and recommended to Executive the Capital and Investment and Treasury Management Strategies and the associated Appendices on 15 January 2025.</p>			

## Supporting Information

### 3. Background

- 3.1 This report sets out Executive's proposed Corporate Plan for 2025-30, Revenue Budget Strategy, the Capital & Investment Strategy, Reserves and how it intends to address the Medium-Term and Climate Action. Alongside this, the report also sets out the Review of Fees and Charges for 2025/26.
- 3.2 The Executive's proposed Corporate Plan has been prepared to ensure the priorities of the council are clear and set out the direction the organisation is moving in in order to deliver improved outcomes for its residents. The revenue and capital budget proposals are informed by the proposed Corporate Plan and the Vision and Strategy within this, whilst taking into consideration the latest information on the council's financial position outlined in this report and comments from the Budget Planning Committee meeting on 10 December 2024. In finalising the proposals, the Executive has also taken into consideration feedback from the public consultation on the proposed Vision and Strategy, capital and revenue budget proposals and Council Tax increase.
- 3.3 This report also sets out a proposed new Vision for the Council and proposed priorities for the next five years (2025-2030), which has informed the draft 2025/26 budget and the MTFS.
- 3.4 Finally, the report summarises the next steps that will allow the council to consider, approve and set balanced budgets over the MTFS period.

## 4. Details

### 4.1 Corporate Plan

4.1.1 The council has been working on a new Corporate Plan that reflects its ambitions for the future, addresses potential challenges and maximises the opportunities to provide better outcomes for its residents and key stakeholders. The plan includes a new vision for the Council, which is:

**“A modern council inspiring and enabling positive, lasting change”**

4.1.2 The plan also includes the following four key priorities for the next five years (2025-2030):

- **Economic Prosperity**
- **Community Leadership**
- **Environmental Stewardship**
- **Quality Housing and Place Making**

4.1.3 These priorities are underpinned by a suite of goals and aims for ensuring clarity and success. The goals are set out below and the full suite of goal and aims are set out in Appendix 1.

Table 4.1.1 Strategic Priorities and Goals

<b>A modern council inspiring and enabling positive, lasting change</b>	
<b>Strategic Priority</b>	<b>Strategic Goal</b>
Economic prosperity	Create vibrant economic centres and thriving rural villages
	Build an inclusive and green economy
Community leadership	Strengthen community collaboration and resilience
	Promote health and wellbeing with a focus on inequality
Environmental stewardship	Safeguard the environment and promote biodiversity
	Promote the circular economy of reduce, reuse and recycle to minimise waste
Quality housing and place making	Deliver sustainable and strategic development that meets Cherwell’s needs now, and in the future
	Achieve more high-quality, secure, and affordable housing that caters for the diverse needs of our residents

4.1.4 A new Corporate Plan incorporating the vision and strategy demonstrates that the council has a clear direction of travel for how it plans to deliver better outcomes for its residents, communities and the district. The council consulted on its vision and key priorities alongside its budget proposals during November and December 2024. The vision was supported by the majority of participants receiving 66% support and there were high levels of support across the board for the proposed priorities and goals ranging between 70% and 86%. The full consultation results can be seen in Appendix 10.

4.1.5 In addition to the outcome focussed Corporate Plan, the council has also developed “internal perspectives” to focus on how the council operates in order to deliver the strategy. The overarching internal approach is:

**“We work as one council”**

- 4.1.6 The three priorities of the internal perspectives to help deliver the vision are:
- **Achieving the best possible customer and resident outcomes we can**
  - **Unlocking our people’s potential to achieve great things**
  - **Maximising the value of every pound to deliver our priorities**

4.1.7 The internal perspectives, including goals and aims can be seen at Appendix 2.

## 4.2 Revenue Budget Strategy

### Forecast Financial Outturn 2024/25

4.2.1 The Budget Planning Committee and the Executive regularly review the forecast outturn as part of the monthly Finance Management reports. The financial year 2024/25 has been a challenging year in continuing to deal with the ongoing impact of the Cost-of-Living Crisis whilst continuing to deliver council services.

4.2.2 The forecast outturn position as at 31 December 2024 is an overspend of £0.043m. The council does not anticipate any material deteriorations in this position before the year end and so the 2024/25 outturn should not impact adversely on the council’s reserves position. There are a number of savings proposals from 2024/25 which have not been fully delivered. Where this has been identified and there is an anticipated impact in future years, this has been taken into account within the budget proposals for 2025/26.

4.2.3 Managers have considered their current operational and financial performance when developing their future budget requirements and where necessary included service investments or proposed budget reductions as part of the budget setting process. These are described later in this report. The budget requirements and the changes requested by managers have been scrutinised by senior managers over a number of individual sessions allowing for challenge and consideration across the range of council budgets. This helps to ensure the proposals align with the council’s objectives.

### Net Cost of Services for 2025/26

4.2.4 Having reviewed the impact of prior years’ financial information, the next step in setting a budget is to consider the “Net Cost of Services” which includes the costs and income streams directly attributable to service delivery and commercial activities. Table 4.2.1 summarises the proposed budget for 2025/26 by service area.

Table 4.2.1: Net Cost of Services

Directorate	Net budget 2025/26 £m
Communities	12.120
Resources	7.528
<b>Service Sub-total</b>	<b>19.648</b>
Corporate Costs	3.926
Policy Contingency	2.620
<b>Net Cost of Services</b>	<b>26.194</b>

- 4.2.5 The largest proportion of the expenditure budget, excluding benefits payments, is spent on staffing (35 percent of gross expenditure).
- 4.2.6 Service income streams that are assumed within the net cost of services include fees and charges (e.g. planning fee income, income from car parks, licences etc.), service specific grants and rental income from all council-owned properties. For information on categories of Income and Expenditure, please see Appendix 6 for a summary by type of expenditure and Appendix 12 for more detail at a Directorate level.
- 4.2.7 A thorough review of service levels and budgets has taken place and savings identified at Appendix 4 that will allow the council to operate within the level of resources that it anticipates will be available to it in 2025/26. Full monitoring of the savings programme will take place throughout 2025/26.

## Budget Proposals (Investments and Savings)

### Service Investments

- 4.2.8 The council has identified new service budget investments of £0.608m for 2025/26 and a further £0.076m of savings non-delivery. Service budget investments approved in previous years have reduced by £0.293m resulting in an overall increase in service budget investments of £0.391m. The full schedule of existing and new service investments can be seen at Appendix 5. Table 4.2.2 summarises the service investments which have been included within the Net Cost of Services.

Table 4.2.2: Service Investments

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m2	Ongoing Impact £m
Communities	0.179	0.092	(0.093)	0.001	0.001	0.180
Resources	0.212	(0.135)	0.000	0.000	0.000	0.077
<b>Total Investments</b>	<b>0.391</b>	<b>(0.043)</b>	<b>(0.093)</b>	<b>0.001</b>	<b>0.001</b>	<b>0.257</b>
Prior Year Investments	(0.293)	0.171	(0.094)	0.000	0.000	(0.216)
Savings non- delivery	0.076	0.001	0.001	0.001	0.001	0.080
New Investments	0.608	(0.215)	0.000	0.000	0.000	0.393
<b>Total Investments</b>	<b>0.391</b>	<b>(0.043)</b>	<b>(0.093)</b>	<b>0.001</b>	<b>0.001</b>	<b>0.257</b>

### Service Efficiencies and Income Proposals

- 4.2.9 In total, savings of £1.375m are proposed for 2025/26, of which £0.042m were previously planned. As part of the council's commitment to fulfil its best value duty by delivering value for money, and through a process of continuous improvement and service transformation, operational efficiencies of £1.020m and additional revenue of £0.313m have been identified for 2025/26. These do not have an impact on service delivery or impact Cherwell residents. In December



2024, the council consulted on the new savings proposals. After receiving consultation responses and considering the level of resources available to it following the Local Government Finance Settlement, the council has not amended its savings proposals. The full schedule of savings can be seen at Appendix 4.

- 4.2.10 The council invited residents and local businesses to give their views on its budget saving proposals for 2025/26 between 22 November 2024 and 23 December 2024. This opportunity was widely promoted through a multifaceted communications campaign. During the consultation period 165 respondents took the time to give us their views. The council is grateful to everyone that took the time to learn more about its budget proposals and particularly those that provided their views on them. After reviewing the savings proposals and considering consultation responses no changes are proposed to the savings proposals.
- 4.2.11 Table 4.2.3 provides a breakdown of how the total savings of £1.375m for 2025/26 are allocated across the service areas.

Table 4.2.3: Service Efficiencies and Income Proposals

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Ongoing Impact £m
Communities	(0.523)	(0.141)	(0.002)	(0.002)	(0.002)	(0.670)
Resources	(0.517)	(0.170)	(0.151)	(0.090)	(0.100)	(1.028)
Exec Matters	(0.335)	(0.009)	(0.008)	(0.008)	(0.009)	(0.369)
<b>Total Efficiencies &amp; Income</b>	<b>(1.375)</b>	<b>(0.320)</b>	<b>(0.161)</b>	<b>(0.100)</b>	<b>(0.111)</b>	<b>(2.067)</b>
Prior Year Efficiencies	(0.042)	(0.204)	(0.113)	(0.092)	(0.102)	(0.553)
New Efficiency Savings	(1.020)	(0.052)	(0.048)	(0.008)	(0.009)	(1.137)
Income	(0.313)	(0.064)	0.000	0.000	0.000	(0.377)
<b>Total Efficiencies &amp; Income</b>	<b>(1.375)</b>	<b>(0.320)</b>	<b>(0.161)</b>	<b>(0.100)</b>	<b>(0.111)</b>	<b>(2.067)</b>

- 4.2.12 All of the service investments and savings proposals are included in the proposed budget for 2025/26 which would allow a balanced and legal budget to be set.

## Corporate Updates

### Inflation

- 4.2.13 The council has provided for inflation on pay, contracts, and fees and charges within the budget. It assumes that there will be 3.5 percent pay award in 2025/26 as agreed with the local union, and 2.5% for the remaining years of the MTFS period. Contract inflation had been provided for at 2 percent in all years of the MTFS. Fees and charges have been reviewed and increased by a minimum of

2% for 2025/26 (where the fee is set by the council) to reflect cost recovery and are then assumed to increase by 2 percent annually for the remainder of the MTFS period. A schedule of proposed fees and charges is set out at Appendix 7.

### **Castle Quay**

- 4.2.14 Castle Quay development was part of a long-term wider Banbury regeneration project approved by the Executive on 4 December 2017. The Castle Quay development forecasts income generation across the MTFS period. The latest MTFS forecast takes into consideration:
- The current outturn forecasts for 2024/25
  - The post pandemic economic climate
  - Changes to the retail market and ongoing shopping patterns
- 4.2.15 As a result, the 2025/26 budget has been revised down by £1.17m compared to the 2024/25 MTFS assumptions. The council has made prudent assumptions about lease renewals within the current economic climate and has not factored in the potential benefits from increased footfall associated with the council's head office relocating to Castle Quay.
- 4.2.16 Despite the prudent assumptions around Castle Quay and the finances, the Council is progressing its exciting new plans around the development of Castle Quay. The Council is moving its main administrative base from Bodicote and into Castle Quay in Spring of 2025. It is envisaged that this move will bring significant benefits to the Council, Castle Quay and Banbury Town Centre itself including:
- Anticipated reduction in annual running costs of the main administrative headquarters.
  - Creation of a modern work environment.
  - A central location improves access for staff and residents.
  - Increased footfall from staff and visitors throughout Castle Quay and Banbury town centre, helping to encourage other businesses to locate in Banbury town centre and Castle Quay.
- 4.2.17 Additionally, the Council continues to be in discussions with a number of organisations around letting vacant spaces within Castle Quay at commercial rates. These potential tenants would help to further the Council's vision to use Castle Quay as a mixed-use facility to help with the ongoing regeneration of Banbury town centre, leading to additional footfall within Banbury.

### **Executive Matters**

- 4.2.18 Executive Matters includes non-service costs including borrowing costs, interest receivable, contributions to and from reserves and a Policy Contingency budget. The Executive Matters budget also includes non-ringfenced general grants.
- 4.2.19 The impact of the cost-of-living crisis has continued to have a significant impact on the finances and services of the council in 2024/25. The economic impacts of 2025/26 are unclear and therefore the council has continued with a Policy Contingency in 2025/26 of £1.1m linked to market risk. This contingency is available to protect the council in case it suffers losses of income or increases to contract costs compared to the base budget assumption.

4.2.20 In addition, the council has set aside an inflation contingency and a general contingency. Table 4.2.4 shows the provisions that have been made in the Policy Contingency budget:

Table 4.2.4: Contingencies

Policy Contingency	2025/26 £m
Inflation Contingency	1.045
Market Risk	1.100
General Contingency	0.475
<b>Total</b>	<b>2.620</b>

4.2.21 Table 4.2.5 below shows the movement from the approved 2024/25 budget to the draft budget for 2025/26.

Table 4.2.5: Budget Movement from 2024/25 to 2025/26

Directorate	2024/25 Budget	Service Investments	Savings Proposals	Capital Impact	Corporate Changes	Transfer from Reserves	Use of Reserves	Transfer to Reserves	Grants	Inflation	2025/26 Budget	Increase %
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	
Communities	11.814	0.179	(0.523)	(0.084)	(0.147)	0.546	(0.416)	0.075	(0.246)	0.922	12.120	3%
Resources	8.239	0.212	(0.517)	(0.007)	(1.116)	(0.082)	0.172	0.000	0.000	0.627	7.528	-9%
Exec Matters	4.292	0.000	(0.335)	0.190	(0.120)	(0.294)	(0.250)	2.007	(1.571)	0.007	3.926	-9%
Policy Contingency	2.642	0.000	0.000	0.007	0.541	0.000	0.000	0.000	0.000	(0.570)	2.620	-1%
<b>2025/26 Budget</b>	<b>26.987</b>	<b>0.391</b>	<b>(1.375)</b>	<b>0.106</b>	<b>(0.842)</b>	<b>0.170</b>	<b>(0.494)</b>	<b>2.082</b>	<b>(1.817)</b>	<b>0.986</b>	<b>26.194</b>	<b>-3%</b>
<b>% Increase</b>		<b>+1.4%</b>	<b>-5.1%</b>	<b>+0.4%</b>	<b>-3.1%</b>	<b>+0.6%</b>	<b>-1.8%</b>	<b>+7.7%</b>	<b>-6.7%</b>	<b>+3.7%</b>	<b>-2.9%</b>	

4.2.22 Corporate Changes reflect policy changes which have already been approved by the Executive, such as increasing the premises savings resulting from moving the council offices from Bodicote House to Castle Quay. As decisions have already been taken these did not need to be consulted on.

### Council Financing

4.2.23 In addition to the fees and charges income streams and grant funding recorded in the Net Cost of Services, the council funds the balance of its activities from the following sources:

#### Business Rates Retention

4.2.24 Under the business rates retention scheme, 50 percent of the business rates collected is retained locally and shared between the council (40 percent) as the billing authority, and Oxfordshire County Council (10 percent) as the major precepting authority, the remaining 50 percent goes to central government.

4.2.25 The council, as the billing authority, is required to notify the Secretary of State and major precepting authorities the forecast amount of business rates collectable during the year before the beginning of a financial year.

4.2.26 The council sets its business rates income budget based on the following:

- The Government deducts a tariff on business rates collected by the council as a way to nationally redistribute business rates collected based on need.
- A levy is also deducted by the Government on growth in business rates above the baseline set in 2013/14 determined by the Government.
- The council has entered a pooling arrangement with the other councils in Oxfordshire to ensure that the majority of this growth is retained within the county. The council is able to retain an element of this “pooling benefit”.
- The council must also take account of the estimated surplus/deficit on its business rates income in 2024/25. This compares the level of business rates expected to be collected in 2024/25 with the estimate it made when setting the budget for 2024/25.
- Section 31 Grants are paid to compensate the council for government changes to the business rates policy which has resulted in the council generating lower business rates income than it otherwise would have done.

4.2.27 The resources retained by the council from business rates are summarised in Table 4.2.6.

Table 4.2.6: Resources retained from business rates related income

<b>Business Rates Breakdown</b>	<b>2025/26 £m</b>	<b>2026/27 £m</b>	<b>2027/28 £m</b>	<b>2028/29 £m</b>	<b>2029/30 £m</b>
Business Rates	(47.972)	(4.791)	(1.647)	(1.719)	(1.778)
Business Rates Deductions	41.106	7.800	1.583	1.681	1.734
Business Rates Pooling Gain	(3.800)	3.800	0.000	0.000	0.000
Transfer to Reserves	1.800	(1.800)	0.000	0.000	0.000
Business Rates Collection Fund (Surplus) / Deficit	1.367	(1.367)	0.000	0.000	0.000
S31 grants	(7.489)	5.756	(0.025)	(0.026)	(0.027)
Impact of Business Rates Reset	0.000	(7.044)	3.522	3.522	0.000
<b>Grand Total</b>	<b>(14.988)</b>	<b>2.354</b>	<b>3.433</b>	<b>3.458</b>	<b>(0.071)</b>

Movements from 2026/27 onwards are annual incremental changes from the previous year

4.2.28 Any variance between the actual business rates income billed and accounted for compared to the NNDR1 estimate at the beginning of the year is managed through the Collection Fund.

4.2.29 It is estimated that there will be a Collection Fund deficit on business rates of £1.367m which has been taken account of in setting the business rates income budget which is summarised in Table 4.2.7 below.

Table 4.2.7: Business Rates (Surplus)/Deficit Calculation

<b>Business Rates (Surplus)/Deficit</b>	<b>2025/26 £m</b>
2023/24 deficit	1.014
2024/25 deficit	0.353
<b>Business Rates (Surplus)/Deficit</b>	<b>1.367</b>

## Other Grants

### Grants supporting the Net Cost of Services:

- 4.2.30 New Homes Bonus (NHB): The council expects to receive £0.935m in 2025/26 comprising a payment for 2024/25, but all legacy payments from the scheme are complete. It is not known how the Government intends to replace this regime; a consultation on the future of NHB is expected, but it is not yet clear when this will be issued. With the Business Rates reset delayed until 2026/27, this payment is currently forecast to be phased out over three years starting in 2026/27.
- 4.2.31 Revenue Support Grant (RSG): Due to the roll forward of funding, the council expects to receive £0.368m in 2025/26 which has increased in line with inflation compared to last year. RSG is then also expected to be zero beginning in 2026/27.

### Grant Funding within the Net Cost of Services:

- 4.2.32 The Government announced that they would provide a Funding Floor Grant for 2025/26 to ensure that the council did not suffer a reduction in the allocations of funding received from government. The council will receive £3.4m from this grant.
- 4.2.33 The council also receives ringfenced grants for specific purposes. These are allocated directly to the Directorates to be spent in line with the grant conditions. A breakdown of all government grant income assumed within the budget is at Appendix 13.

## Council Tax Income

- 4.2.34 The council tax requirement of the council for 2025/26 is £9.487m and the tax base has been set at 59,853.6. A £5 increase to the rate of council Tax has been assumed: from £153.50 to £158.50. This is the maximum increase the council can propose, without the need to hold a referendum.
- 4.2.35 The council has considered the amount of council tax that it anticipates it will collect in 2024/25 compared to the estimate it made when setting the 2024/25 budget. The council expects there to be a surplus to be taken into account of (£0.416m).

Table 4.2.8: Breakdown of Council Tax Income

	<b>£m</b>
Council Tax (Surplus)/Deficit	(0.416)
Council Tax Requirement	(9.487)
<b>Council Tax Income</b>	<b>(9.903)</b>

- 4.2.36 The budget for 2025/26 therefore is balanced by these sources of funding as demonstrated in Table 4.2.9.

Table 4.2.9: Financing of Net Cost of Services 2025/26

Full Budget		£m
Net Cost of Services		26.194
<b>Financed by:</b>		
Revenue Support Grant		(0.368)
Council Tax		(9.903)
Business Rates		(14.988)
New Homes Bonus		(0.935)
<b>Balance</b>		<b>0.000</b>

### 4.3 Capital and Investment Strategy

- 4.3.1 The Capital and Investment Strategy is included at Appendix 19 and reflects the requirements of the Prudential Code including for the S151 to report explicitly on the deliverability, affordability and risks associated with the Strategy.
- 4.3.2 The Capital and Investment Strategy aims to set a clear framework for capital decision making alongside the council's Corporate Plan, vision, and priorities. The Capital Strategy is closely aligned with the council's service plans, asset review and regeneration plans. It also includes the council's Minimum Revenue Provision (MRP) Policy at Annex A. Within the Investment strategy, upper limits are set on the loans and share capital with subsidiaries that the council can hold.

#### Capital Programme

- 4.3.3 The capital programme sets out a plan for expenditure between 2025/26 and 2029/30. It forms an integral part of the council's core activity and is an important part of the MTFS.
- 4.3.4 Capital expenditure can be funded from Revenue, Capital Receipts, Capital Grants, Internal or External Borrowing. External Borrowing is used to manage the cashflow requirements of the council and, whilst it is used to finance the capital programme, it is not linked to individual projects. Details of the council's expected borrowing for 2025/26 are included in the Treasury Management suite of strategies which are scrutinised by the Accounts, Audit and Risk Committee (AARC) and included in Appendix 20. These were reviewed in draft form and were recommended to the Executive at the AARC meeting on 15 January 2025.
- 4.3.5 Table 4.3.1 below details the capital expenditure profiled for 2025/26 and future years. There was one new capital bid for 2025/26 (found in Appendix 17). Where these result in a revenue cost or saving, these have been adjusted for in the Net Cost of Services. A list of all projects in the full capital programme (£10.197m in 2025/26) is set out in Appendix 18. The financial implications of these are incorporated into the MTFS.

Table 4.3.1 – Capital Programme 2025/26 through to 2029/30 and beyond

Directorate	2025/ 26 £m	2026/ 27 £m	2027/ 28 £m	2028/ 29 £m	2029/ 30 £m	Future Years £m	Total Project Cost £m	External Funding £m	Balance to be funded by borrowing £m
Communities	4.424	4.579	4.034	2.730	2.605	4.189	22.563	(11.518)	11.045
Resources	5.773	3.783	0.448	0.448	0.000	0.000	10.453	(9.951)	0.502
<b>Total Capital Programme</b>	<b>10.197</b>	<b>8.363</b>	<b>4.483</b>	<b>3.179</b>	<b>2.605</b>	<b>4.189</b>	<b>33.016</b>	<b>(21.469)</b>	<b>11.547</b>

4.3.6 Since 2015/16, the council has incurred significant capital expenditure that has been temporarily financed by internal borrowing (cash received in advance of expenditure) and external borrowing (debt). Borrowing is seen as a temporary source of finance. The extent to which the council has needed to borrow is reflected in the Capital Financing Requirement (CFR) which is a direct measure of the amount of capital outlaid but not financed by grants, capital receipts or revenue resources.

4.3.7 To get an indication of the council's overall capital health, it is useful to examine the ratio of the CFR to the council's total capital asset value and the extent to which the value of these assets could clear the debt through asset disposals, if this became necessary. It should be noted that under the CIPFA code, assets can be capitalised on balance sheet based on the long-term service potential they provide and not necessarily the economic value they generate on sale, particularly assets held at historical cost e.g. intangible assets. The CFR to Long-Term asset ratio should therefore only be treated as an indicator of capital health. Capital asset values and the CFR are shown in Table 4.3.2

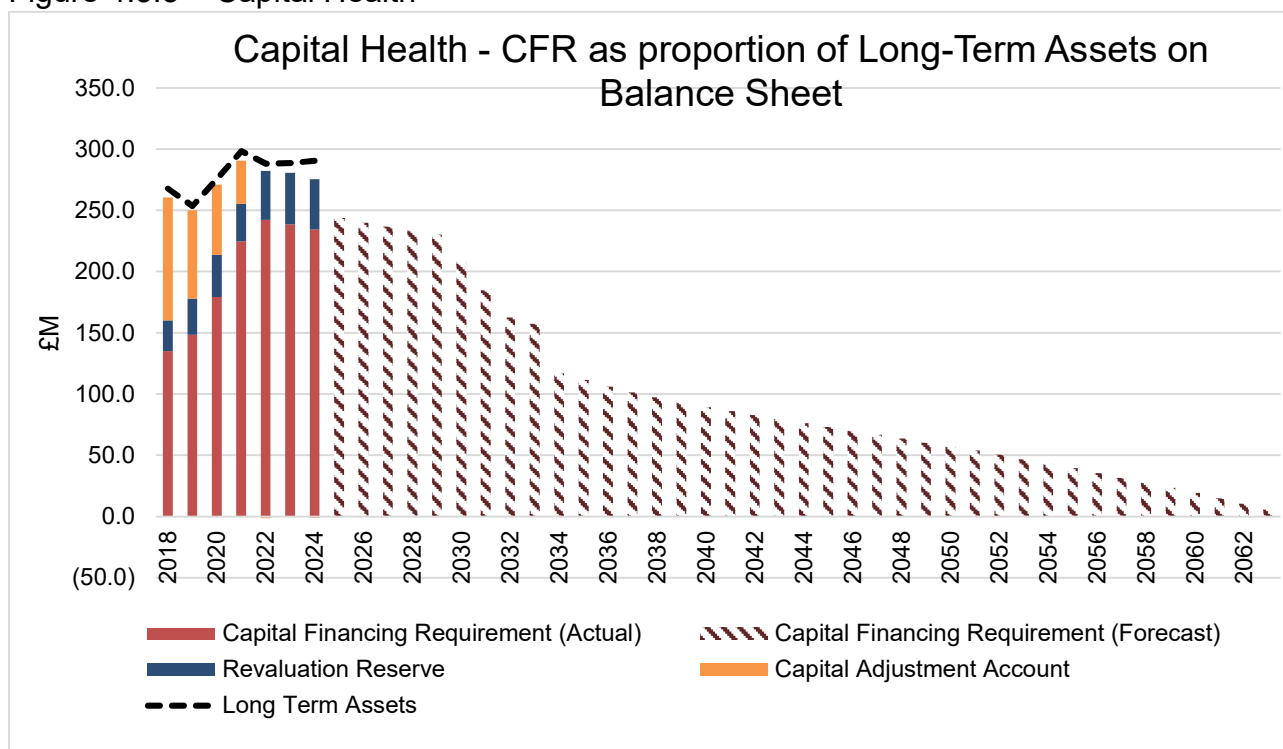
Table 4.3.2 – Capital Health Overall in £ millions

Capital Health (£m)	2017/ 18	2018/ 19	2019/ 20	2020/ 21	2021/ 22	2022/ 23	2023/ 24
	£m	£m	£m	£m	£m	£m	£m
Capital Financing Requirement	134.9	148.2	179.2	224.8	242.1	238.6	234.4
Long-Term Assets (as per statement of accounts)	267.8	253.6	275.8	298.6	288.2	288.8	290.7
CFR to Long-Term Asset Ratio	50%	58%	65%	75%	84%	83%	81%

4.3.8 As of 31st March 2024, the council's CFR amounted to 81 percent of the value of its total capital worth. Figure 4.3.3 shows how this has changed since the council began borrowing to fund its capital programme and a forecast of how the CFR reduces to 2065.

4.3.9 It is important to recognise that Local Government capital investments are a long-term commitment and the extent to which future revenue budgets and taxpayers contribute to the financing of the investments depend on the useful lives of the assets invested in.

Figure 4.3.3 – Capital Health



4.3.10 The council’s capital assets are comprised of fixed assets, such as property, and financial assets, such as loan and share capital. Fixed assets and long-term financial assets are less liquid than treasury management investments, as loans and share capital have contractual arrangements and agreed repayment profiles in place, whilst property is utilised in the delivery of corporate priorities. It is important that the council continues to monitor the repayment profiles of loans and valuation of its property assets to ensure that the council can cover its debt obligations through asset sales if required to do so (e.g., in the unlikely event that PWLB refinancing of loans becomes unavailable).

4.3.11 The council primarily holds its capital assets to deliver service objectives, such as economic regeneration and local housing, alongside generating income to support the revenue budget. With national trends in operational and investment property showing a decline in book value, it is important to continue to monitor the CFR to long-term asset ratio to consider appropriate next steps if the council’s need to borrow (CFR) exceeds the total value of its capital assets. Table 4.3.2 demonstrates that as at 31<sup>st</sup> March 2024 the overall value of the council’s assets exceeds the capital financing requirement of the council.

4.3.12 Actions the council is taking to reduce the CFR include the setting aside of prudent levels of revenue resources (MRP) to repay existing borrowing and using capital grants and receipts to finance new projects wherever possible, keeping future borrowing requirements to a minimum. Based on current forecasts, the CFR is expected to reduce by 50% by 2034 and be cleared by 2065 assuming no further additions to the programme are made. This is mainly due to the effects of MRP in reducing the council’s need to borrow, and principal repayment of capital loans and share capital investments by the council’s subsidiary company Graven Hill.

4.3.13 Where borrowing for capital has been deemed necessary to deliver against service objectives or, for example to comply with health and safety regulations,



financing costs (revenue expenditure) are incurred by the council. These can be medium to long-term in nature, depending on the useful lives of the assets purchased. Projects financed by borrowing incur a Minimum Revenue Provision (MRP) charge to the revenue account which is made in line with the council's MRP policy and with due regard to government guidance. The council also incurs interest on the borrowing it has taken.

4.3.14 Prudential Indicators are set each year to evaluate the affordability of the capital programme and assist the council in consideration of whether the levels of debt taken to support its capital ambitions are also prudent and sustainable. More details on this can be found in the council's Capital Strategy and Treasury Management Strategy appended to this budget report.

4.3.15 A summary of these indicators is provided in table 4.3.4 below. It is important the council continues to monitor these indicators such that it can identify when its capital plans may become unsustainable, e.g., because of unaffordable rises in the cost of borrowing or a loss of service investment income.

Table 4.3.4 – Prudential Indicators Summary

Prudential Indicator	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Forecast	Forecast	Forecast	Forecast
Capital Financing Requirement	£234.4m	£243.2m	£239.8m	£236.9m	£233.7m
Annual Minimum Revenue Provision	£4.4m	£3.9m	£4.4m	£4.8m	£5.0m
Financing Costs as a proportion of the Net Expenditure Budget (A)	29%	32%	35%	40%	47%
Service Investment Income as a proportion of the Net Revenue Stream (B)	31%	38%	42%	47%	55%
Affordability Ratio (A-B)	-2%	-6%	-7%	-7%	-8%

4.3.16 The final ratio, the Affordability Ratio, indicates the extent that the taxpayer will be impacted by the revenue cost of capital as a proportion of the council's core funding. While the financing costs are significant, the council generates income within its services to support them. Budgeted interest and MRP represents 35 percent of the £26.2m net council Funding for 2025/26. When the council's total budgeted income, i.e., income generated from service activities and income from local taxation (excluding benefits payments) of £66.4m is compared to budgeted Interest Payable and MRP on borrowing for capital purposes of £9.2m, the result is 14 percent. This demonstrates that the funding of interest payable and MRP is also met by the income from services and not entirely from Council Tax.

## 4.4 Reserves

4.4.1 Reserves are held to ensure the council can manage and mitigate current and future risk and spending plans. The council has carried out a review of its reserves requirements as part of the Budget and Business Planning Process and continues to follow its reserves policy attached at Appendix 14. This has enabled

the council to hold larger, more strategic reserves, rather than smaller earmarked reserves and allows the council to use its reserves in a more flexible manner. The council will regularly review its level of reserves to ensure they remain adequate and appropriate and will continue to be monitored throughout 2025/26.

- 4.4.2 Table 4.4.1 below shows a summary of the forecast reserves position for 2025/26 to 2029/30. The final outturn position for 2024/25 will be reported to the Executive in June 2025 and the Accounts, Audit and Risk Committee in July 2025, as part of the council's Statement of Accounts. Appendix 16 provides a breakdown of the proposed use of reserves for 2025/26 and an estimate of how reserves are currently expected to be used to 2029/30.

Table 4.4.1 – Forecast Use of Reserves

Reserve Category	Forecast Balance 1 April 2025 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Expected Balance 1 April 2030 £m
General Balances	(7.853)	0.000	0.000	0.000	0.000	0.000	(7.853)
Earmarked Reserves	(28.848)	(2.663)	(0.399)	(0.449)	(0.449)	(0.449)	(33.227)
Revenue Grants	(1.280)	0.523	0.007	0.007	0.007	0.007	(0.730)
Sub-total Revenue Reserves	(37.981)	(2.110)	(0.392)	(0.442)	(0.442)	(0.442)	(41.810)
Capital Reserves	(5.948)	0.720	3.355	0.000	0.000	0.000	(1.873)
Total Reserves	(43.929)	(1.390)	2.963	(0.442)	(0.442)	(0.442)	(43.683)

- 4.4.3 A risk assessment has been carried out on the level of general balances that the council holds which is detailed in Appendix 15. This sets out that the council should hold general balances of at least £7.852m.
- 4.4.4 It is the duty of the Section 151 Officer to ensure that the council retains reserves at a level which provides the council with financial resilience both in setting the budget for 2025/26 but also looking into the medium term and the MTFs. Reserves can be used for one-off expenditure but should not be used to finance ongoing council activities.

## 4.5 Medium Term Financial Strategy

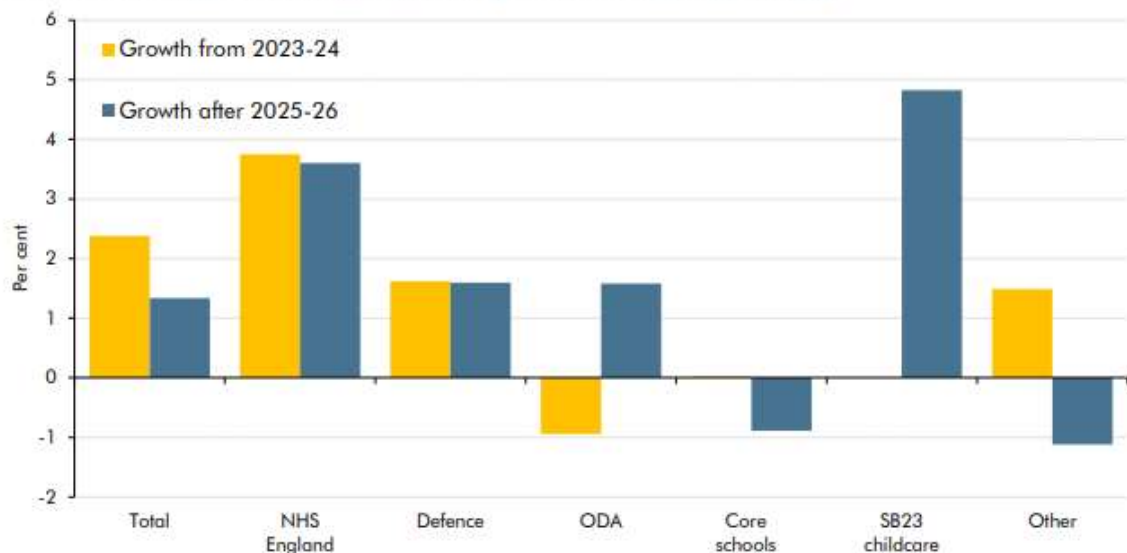
### Funding Reforms

- 4.5.1 The council expects that local government funding reforms will be implemented in the current Parliament as announced in the Local Government Finance Policy Statement on 28 November 2024. The council is expecting a new Spending Review to be prepared in 2025 to indicate sector-wide spending levels in future years and in particular 2026/27-2027/28. The Government issued a consultation on future funding reforms as part of the Provisional Local Government Finance Settlement with a deadline for responses of 12 February 2025.

- 4.5.2 As part of funding reforms, a reset of the Business Rates baseline is expected. This would impact the council significantly as the council has been consistently collecting income above the baseline and retaining 40 percent of that growth under the current retention scheme. The council is assuming a full reset (whereby all growth above the baseline is redistributed nationally) is introduced in 2026/27, but phased over a period of three years, which will significantly reduce the level of resource available to the council over that period. There are alternative options for how a reset could be implemented, e.g. partial or rolling, so the planning assumption is for a “realistic worst case” scenario, which is in line with the proposals in the Government’s consultation.
- 4.5.3 Government funding of local authorities is based on an assessment of need. This assessment of need has not been fundamentally reviewed since 2013/14. The Government is expected to review the way need is determined and to make the formula more objective and transparent. However, until a detailed consultation on specific proposals is published by the Government there is no way to accurately forecast the impact. Therefore, the council has assumed the impact of its implementation is neutral within the MTFs and has been considered as part of the risk assessment of reserves.
- 4.5.4 In addition to funding reforms, the Office for Budget Responsibility’s analysis at the end of 2024/25 has highlighted that whilst plans for total government spending are expected to increase in the next spending review period, that it is likely that funding for sectors such as local government (assumed to be within “other”) will reduce in real terms as demonstrated by the chart below.

Chart 4.5.1 – OBR Analysis of 2024 Autumn Statement

Chart 5.9: Implied average annual growth in RDEL spending



RDEL: Resource Departmental Expenditure Limits

Source: Office for Budget Responsibility, Economic and fiscal outlook, October 2024  
[https://obr.uk/docs/dlm\\_uploads/OBR\\_Economic\\_and\\_fiscal\\_outlook\\_Oct\\_2024.pdf](https://obr.uk/docs/dlm_uploads/OBR_Economic_and_fiscal_outlook_Oct_2024.pdf)

### MTFS Funding Gap

- 4.5.5 The MTFs, as presented in Table 4.5.1 below, represents the scenario where the business rates reset is introduced in 2026/27, but the impact is phased over three years rather than the entire impact be felt in 2026/27 in line with the recent consultation from the Government. Planning on this basis is both prudent and

sensible, without being overly optimistic, and ensures that the council can respond to any changes coming forward and remain financially sustainable.

- 4.5.6 Previously the Government has consulted on “rolling resets” as its preferred approach. This could result in one year’s growth being taken centrally, but resources available to the council being replaced by a future year’s growth. Whilst this is a model that the council can continue to lobby the Government on introducing but is not certain enough for it to be the main planning assumption of the council.
- 4.5.7 It is important to note that 2025/26 reflects a balanced budget but it should be acknowledged that there are both planned contributions to and uses of one-off funds from some earmarked reserves. The net movement to reserves in 2025/26 is shown above in Table 4.4.1 (net £2.2m to revenue reserves and £0.72m use of capital reserves). A full schedule of the use of reserves can be found in Appendix 16. For 2026/27 an ongoing funding gap has been identified, which increases through to 2028/29, and the council has established a strategy that will shape how it looks to review opportunities to reduce this gap and balance the budget in 2026/27 and future years.
- 4.5.8 Table 4.5.1 below sets out the council’s future funding estimates. There remains much uncertainty regarding this position over the medium term with the expected funding reforms. However, estimates are based on the most recent information available from the Government. The forecast effects of these changes are the equivalent to a 36 percent reduction in net funding. This is a result of:
- The assumption that the business rates baseline is reset in 2026/27, phased over three years, and average growth of 1.3 percent thereafter (the council has grown business rates significantly in recent years and this baseline reset results in the council losing the benefit of this retained growth)
  - the phasing out of New Homes Bonus, with a one-off payment in relation to growth in 2024/25 payable in 2025/26; the Government has previously said it will consult on a replacement NHB scheme, but it is unclear what the financial benefit will be for the council at this stage. Therefore, to be prudent the Council is assumed that NHB at 2025/26 levels is phased out over three years in line with the business rates reset assumptions.
  - Time limited grants announced by the Government for the 2025/26 financial year, e.g. Funding Floor, are expected to be received in 2025/26. The prudent assumption here is also to assume a phased reduction over three years in line with Government consultation proposal around transitional arrangements.
  - The cessation of core Revenue Support Grant (RSG), Council Tax increases of £5 per annum with on average 1.2 percent annual growth of the Council Tax base from 2025/26.
  - Other than the assumption above, no assumptions have been made that the council will receive any additional transitional finance support.
  - Taken together, the fallout of New Homes Bonus and time-limited grant funding identified above is assumed to approximate the annual 3.2% real terms reduction in funding that will be required on average by non-protected services as well as any implications from the Fair Funding Review.

- 4.5.9 The MTFs indicates that, with all of the assumptions around national funding changes, Cherwell will have a gap between its net budget requirement and its funding as shown in Table 4.5.1 below. This is further analysed by gross and net budget by directorate in Appendix 11. It should be noted that other than the high-level analysis of funding in Chart 4.5.1 and the indications included in the Government's consultations, there is no other information available from government announcements to give an indication of funding levels for 2026/27 and beyond. Therefore, the future resource levels in the MTFs are best estimates but have been developed within significant levels of uncertainty.
- 4.5.10 Table 4.5.1 below also does not attempt to forecast the outcome of any future spending reviews for local government as these will be based on political priorities at the time. The council, along with our peers across all tiers of local government, will need to provide evidence and arguments about the totality of funding for the council services. The council has always taken an active role in these reviews and will continue to do so both on an individual council basis but also through our professional bodies and professional peer groups including the District Council Network (DCN), the Local Government Association (LGA) and SDCT (Society of District Council Treasurers).

Table 4.5.1: MTFs 2025/26 – 2029/30 (year on year change)

MTFS Movements	2025/26	2026/27	2027/28	2028/29	2029/30	Total
	£m	£m	£m	£m	£m	£m
Base budget b/f	26.987	0.000	0.000	0.000	0.000	26.987
Investments	0.391	(0.043)	(0.093)	0.001	0.001	0.257
Efficiencies & Income	(1.375)	(0.320)	(0.161)	(0.100)	(0.111)	(2.067)
Capital Impact	0.106	0.037	0.208	0.165	0.210	0.726
Corporate changes	(0.842)	(0.090)	0.051	0.176	0.108	(0.597)
Inflation	0.986	0.816	0.835	0.800	0.800	4.237
Use of reserves	(0.494)	(1.396)	0.000	0.000	0.000	(1.890)
Transfer from Reserves	0.170	1.163	0.050	0.000	0.000	1.383
Transfer to Reserves	2.082	(1.081)	0.000	0.000	0.000	1.001
Additional government grants	(1.817)	2.867	0.967	0.966	0.000	2.983
<b>Net Budget Requirement</b>	<b>26.194</b>	<b>1.953</b>	<b>1.857</b>	<b>2.008</b>	<b>1.008</b>	<b>33.020</b>
Revenue Support Grant	(0.368)	0.368	0.000	0.000	0.000	0.000
Council Tax	(9.903)	(0.041)	(0.440)	(0.452)	0.000	(10.836)
Business Rates	(14.988)	2.354	3.433	3.458	(0.071)	(5.814)
New Homes Bonus	(0.935)	0.312	0.312	0.311	0.000	0.000
<b>Total Income</b>	<b>(26.194)</b>	<b>2.993</b>	<b>3.305</b>	<b>3.317</b>	<b>(0.071)</b>	<b>(16.650)</b>
<b>Funding Gap / (Surplus)</b>	<b>0.000</b>	<b>4.946</b>	<b>5.162</b>	<b>5.325</b>	<b>0.937</b>	<b>16.370</b>

## How the MTFS gap is planned to be addressed

4.5.11 The council has developed a strategy to meet the challenges highlighted in the MTFS if funding reductions are implemented as described in paragraph 4.5.8. Whilst the council will develop plans for scenarios that include a full business rates reset phased over three years, it will continue to lobby the Government for a rolling reset to be introduced. It will put forward the case that council's such as Cherwell that have embrace the Government's Business Rates Retention reward scheme should not be disadvantaged following its success in delivering business growth and associated benefits to service delivery. Implementation of savings plans developed will not take place until it is clear that the savings must be achieved. Approaches the council will adopt to identify savings will include:

### Transformation

4.5.12 The council worked in collaboration with external consultants to provide capacity to supplement the council's approach to identifying transformative approaches to service delivery that would allow the council to maintain service levels but operate at reduced costs. This process has identified a significant number of opportunities for the council to evaluate further and develop over the MTFS period. The opportunities are made up of a combination of transformation service efficiencies, increased income and indicative potential changes in service levels provided by the council. Some of these proposals were included in the 2025/26 budget where they were fully developed. However, the remainder of the proposals need to be fully worked up, but initial work has estimated that the efficiencies and income proposals could be worth £5.670m in total. Table 4.5.2 gives a high-level breakdown of the opportunities and how much they could potentially contribute towards the overall forecast budget gap of £16.3m.

Table 4.5.2: Opportunities for Further Efficiencies and Income

Directorate	Efficiencies	Income	Total for MTFS
	£m	£m	£m
Communities	1.654	2.276	3.930
Resources	1.740	0.000	1.740
<b>TOTAL</b>	<b>3.394</b>	<b>2.276</b>	<b>5.670</b>

4.5.13 All of these proposals need to be worked up further to be fully refined and it is likely that there will be some implementation costs associated with some of these proposals to support the development of new ways of working, including adopting new technologies where appropriate. This process is currently underway. Once the council has a more refined understanding of the expected savings that these proposals can develop specific business cases and identify the associated implementation costs. Implementation costs will be able to be funded from reserves following approval of a suitable business case. Currently the projected 2025/26 opening balance of the Projects Reserve is £5.5m. This could be made available towards implementation if required.

4.5.14 Furthermore, the council will continue to look for future transformation efficiencies through future rounds of the transformation and budget process. The council will continue to look for significant transformation opportunities across its services

whilst also looking for more modest savings opportunities that can be implemented in the short term. As and when the significant savings opportunities are fully worked up, they will be brought into the MTFS.

- 4.5.15 Transformation will continue to be applied across all services of the council. This will ensure that in the future they are provided in a joined-up way that maximises the delivery of the council's priorities within the resources available to the council.

### **Prioritisation and Service Levels**

- 4.5.16 As part of the 2025/26 budget and transformation process, the council has reviewed its services to consider what levels of service could be provided in the future from statutory minimum through to current levels of service and enhanced. Each of these service levels was also costed. Each level of service can be scored to consider what level of contribution can be made towards the council's priorities.
- 4.5.17 This process allows the council to consider what level of service can be provided at different costs whilst maximising delivery of the council's priorities. As part of the 2026/27 – 2030/31 budget and transformation process this can be further enhanced by breaking each service down into more specific activity units and so being able to generate far more specific options for service level delivery and understanding total spend against the council's priorities.
- 4.5.18 Similarly in setting the 2025/26 budget, all capital schemes have been mapped to the priority that they link most closely to. The transformation and budget process for 2026/27 – 2030/31 will then be developed to maximise the ability to deliver the priorities of the council within the level of resources available to it.
- 4.5.19 Table 4.5.3 below demonstrates at a high level how prioritising the council's service level delivery options, in conjunction with delivering the identified service efficiencies and income opportunities could help to address the MTFS gap.

Table 4.5.3: Service Efficiencies, Income & Service Level Prioritisation

	Communities	Resources	Total
	£m	£m	£m
<b>MTFS Gap</b>			<b>16.650</b>
Efficiencies	1.654	1.740	3.394
Income	2.276	0.000	2.276
Indicative Service Levels			4.500
<b>Potential (Surplus)/Gap</b>			<b>6.480</b>

### **Savings Targets**

- 4.5.20 Whilst the council will look to deliver savings through transformation, efficiencies and prioritisation wherever possible, the council should retain the option of issuing savings targets. If necessary, then services may be issued with a target number of savings to deliver from their budget which they have control over. So, for example where there are budgets which hold corporate costs in a service area, a savings target should not be applied to this.

## **Financial Resilience Assessment**

- 4.5.21 CIPFA's Financial Resilience Index is designed to support and improve discussions surrounding local authority financial resilience. It shows a council's performance against a range of measures associated with financial risk, including the level of earmarked reserves and general balances. The Index is a comparative tool to be used to support good financial management and generate a common understanding of the financial position within authorities.
- 4.5.22 The index considers both the value of general balances and earmarked reserves compared to councils' net revenue budget. While earmarked reserves are held for specific purposes, they can be called upon to meet unexpected costs or provide short term funding to enable long term recovery plans to be put in place.
- 4.5.23 The publication of the Financial Resilience Index based on 2023/24 outturn data was shared with Chief Finance Officers in December 2024. This will be considered as part of the Chief Financial Officer's Section 25 statement for Council on the adequacy of the proposed financial reserves and the robustness of the estimates for the purposes of the council tax calculations.

## **4.6 Climate Action**

- 4.6.1 In 2020, the council produced its Climate Framework, in which it pledged to become carbon net zero by 2030 and to support the wider district to reduce its emissions. An Action Plan to support these targets has been produced, setting out over 120 actions needed. The actions include those which are already budgeted for and those which are not.
- 4.6.2 The council have allocated an annual capital budget of £250k to support the programme of decarbonisation. This will assist with Public Sector Decarbonisation Scheme grants when for example the council have to make a financial contribution.
- 4.6.3 Reports are currently being produced which will set out the pathway to the council's 2030 net zero target, indicating the interventions required, approximate costs and the residual emissions which will also require investment. Following the results of these reports, further decisions will be required that will impact the MTFS position, if the council wishes to meet the 2030 target.
- 4.6.4 Officers are currently supporting a range of work streams that will support the council in reducing its emissions – these include involvement with planning the local energy grid; the installation of electric vehicle charge points; schemes to support residents to retrofit their properties; support for local businesses to decarbonise; creating a marketplace to invest in the natural environment and support more carbon sequestration.

## **4.7 Council Tax Setting**

- 4.7.1 Sections 31 to 36 of the 1992 Local Government Finance Act require each billing authority to calculate its own amount of tax for each category of dwellings in its area. 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.

- 4.7.2 Under section 52ZB of the Local Government Finance Act 1992 each billing authority and precepting authority must determine whether its relevant basic amount of council tax for a financial year is excessive. In essence, the relevant basic amount of council tax is that authority's average band D council tax but, in the case of a billing authority, excluding parish precepts. If an authority's relevant basic amount of council tax is excessive a referendum must be held in relation to that amount.
- 4.7.3 The Council Tax Requirement for the Council is £9,486,796 and the taxbase has been set at 59,853.6. This results in a £5 increase (3.26%) in the Band D, basic amount of Council Tax from £153.50 to £158.50. This is the maximum increase the Council can propose without the need to hold a referendum. This level of Council Tax increase is not considered to be excessive.
- 4.7.4 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 21), amounts for each band (Appendix 22). The recommendations give effect to the legal resolution of these items are necessarily framed.
- 4.7.5 The average parish council tax levy is £110.69. This compares to £107.67 in 2024/25, an increase of 2.8%.
- 4.7.6 The precept figures included for Police and Crime Commissioner for Thames Valley were approved on 17 January 2025 and the precept figures included for Oxfordshire County Council were approved on 11 February 2025.

## **5. Alternative Options and Reasons for Rejection**

- 5.1 It is a legal requirement to set a balanced budget, and the recommendations as outlined set out a way to achieve this. The following alternative option has been identified and rejected for the reasons set out below.

### **Option 1:**

To reject the current proposals and make alternative recommendations. Members will not be aware of the medium-term financial forecast or implications of alternatives if they choose to take this option.

## **6 Conclusion and Reasons for Recommendations**

- 6.1 This report provides information around the various building blocks that make up the proposed budget for 2025/26 and beyond, allowing members to consider and scrutinise the elements of the budget and provide advice and guidance to council to help further shape both budget setting for 2025/26 and the MTFs up to 2029/30.

## Decision Information

<b>Key Decision</b>	N/A
<b>Subject to Call in</b>	N/A
<b>If not, why not subject to call in</b>	N/A
<b>Ward(s) Affected</b>	All

## Document Information

<b>Appendices</b>	
<b>Appendices</b>	<ul style="list-style-type: none"> <li>• Appendix 1 – Corporate Plan</li> <li>• Appendix 2 – Internal Perspectives</li> <li>• Appendix 3 – Section 25 Report of the Chief Finance Officer</li> <li>• Appendix 4 – Service Efficiencies &amp; Income Proposals</li> <li>• Appendix 5 – Service Investments Proposals</li> <li>• Appendix 6 – Budget Summary</li> <li>• Appendix 7 – Fees and Charges Schedule</li> <li>• Appendix 8 – Overarching Equality Impact Assessment</li> <li>• Appendix 9 – Pay Policy Statement</li> <li>• Appendix 10 – Consultation Report</li> <li>• Appendix 11 – Gross Service Budget, Income, Net Budget and Future Years MTFS Changes by Directorate</li> <li>• Appendix 12 – Budget Book</li> <li>• Appendix 13 – Government Grants</li> <li>• Appendix 14 – Reserves Policy</li> <li>• Appendix 15 – Reserves Assessment</li> <li>• Appendix 16 – Forecast Use of Reserves</li> <li>• Appendix 17 – Capital Bids</li> <li>• Appendix 18 – Capital Programme</li> <li>• Appendix 19 – Capital and Investment Strategy</li> <li>• Appendix 20 – Treasury Management Strategy</li> <li>• Appendix 21 – Calculations Required by Sections 31 to 36 of the 1992 Act</li> <li>• Appendix 22 - Council Tax Setting required by Section 30 of the 1992 Act</li> </ul>
<b>Background Papers</b>	No
<b>Reference Papers</b>	N/A
<b>Report Author</b>	Joanne Kaye

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<b>Corporate Director Approval (unless Corporate Director or Statutory Officer report)</b>	Stephen Hinds, Corporate Director for Resources

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Appendix 1

# Vision, Strategy and the New Corporate Plan

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*Cherwell*

DISTRICT COUNCIL  
NORTH OXFORDSHIRE

# Vision

“A modern council inspiring and enabling positive, lasting change”

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*Cherwell*  
DISTRICT COUNCIL  
NORTH OXFORDSHIRE

# Four priorities

Economic  
prosperity

Community  
leadership

Environmental  
stewardship

Quality housing and  
place making

# Economic prosperity

## Goals

Create vibrant economic centres and thriving rural villages

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Build an inclusive and green economy

## Aims

- To foster diverse economic centres and villages that support local businesses, attract investment, and enhance community life.
- To promote sustainable economic prosperity through innovation, resilience, and strategic growth.
- To build an economy that is both inclusive and environmentally sustainable, ensuring equitable opportunities for all while minimising environmental impact.



# Community Leadership

## Goals

Strengthen community  
collaboration and resilience

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Promote health and  
wellbeing with a focus on  
inequality

## Aims

- To work closely with communities and partners to foster shared solutions to building safe, resilient, and empowered communities.

- To enhance health, wellbeing, and social cohesion across the district and address inequalities through preventive initiatives and targeted interventions.

# Environmental Stewardship

## Goals

Safeguard the environment  
and promote biodiversity

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Promote the circular  
economy of reduce, reuse  
and recycle to minimise  
waste

## Aims

- To implement sustainable policies and practices, protect natural habitats, and support conservation initiatives that enhance ecosystem health and biodiversity while responding to the climate emergency.

- To encourage sustainable consumption, optimise the use of resources, and implement efficient recycling systems that support waste reduction and re-use initiatives.

# Quality housing and Place Making

## Goals

Deliver sustainable and strategic development that meets Cherwell's needs now, and in the future

Achieve more high-quality, secure, and affordable housing that caters for the diverse needs of our residents

## Aims

- To ensure the right mix of facilities, services and infrastructure for new developments, to create successful, well-designed communities.

- To help all residents access safe places they can make/call their home, including housing that is affordable through direct ownership, private rental and social rent housing.

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Appendix 1

# **Internal Perspectives of the Strategy: Priorities, Goals, Aims Measures and Actions**

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# We work as One Council...

**Achieving the best possible customer & resident outcomes we can**

**Unlocking our people's potential to achieve great things**

**Maximising the value of every pound to deliver our priorities**



# We work as One Council...

Priorities	Goals	Aims	KPIs
Achieving the best possible customer & resident outcomes we can	Customer & Resident Insight Driven	We are passionate about meeting customer & resident needs, designing our services to achieve our priorities. We have clear service levels that customers can expect us to consistently meet (internal & external). By empowering individuals & teams, and working with partners, customer & resident issues are owned & resolved	Customer & Resident Satisfaction
	Data and Digitally Enabled	We have efficient policies and processes to deliver services, enabled by the best use of data and digital technology for those that can use it. This enables us to have a shared view of customer issues and needs from our data and systems	
Unlocking our people's potential to achieve great things	Values Led	We are proud of our council and constantly strive to improve "the way we do things." We have a distinct Cherwell identity with clarity over our direction and people really want to work, develop and thrive here	Employee Engagement
	Performance Focused	We consistently deliver on the things we say we'll do. Strong leadership and effective management helps us to unlock people's potential with a relentless focus on recognition and performance	
Maximising the value of every pound to deliver our priorities	Priority and Outcome Focused	We have a clear prioritisation of outcomes, across the council, based on the Council Plan. We agree a medium term financial strategy to maximise the delivery of outcomes within a balanced budget	Balanced Budget
	Financially Aware	We understand the full impact of every pound we spend & generate (both revenue and capital) and are rigorous in our financial & performance management. We have a commercial mindset around our contracts, cost recovery & delivering our plans	

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## Local Government Act 2003: Section 25

### Report by the Assistant Director of Finance (S151 Officer) (Chief Finance Officer)

#### Background

1. Section 25 of the Local Government Finance Act 2003 requires that when a local authority is agreeing its annual budget and council tax precept, the Chief Finance Officer (at Cherwell District Council that is the Assistant Director of Finance (S151 Officer)) must report to it on the following matters:
  - The robustness of the estimates made for the purposes of the (council tax requirement) calculations
  - The adequacy of the proposed financial reserves
2. The council is required to have **due regard** to this report when making decisions on the budget. **The law expects councillors to consider this advice and not set it aside lightly.**
3. In expressing my opinion, I have considered the financial management arrangements and control frameworks that are in place, the budget assumptions, the adequacy of the Budget & Business Planning process, the financial risks facing the council and the level of total reserves.
4. Section 25 of the Local Government Act 2003 concentrates primarily on the uncertainty within the budget year (i.e. 2025/26). However, future uncertainties, particularly around levels of resource provided by Government, the delivery and identification of savings, future rates of inflation and the increasing pressures in demand-driven services also inform the need for reserves and balances in the medium term.

#### Executive Summary

5. In preparing the Budget and Medium-Term Financial Strategy for 2025/26 – 2029/30 a number of processes have been put in place to ensure that the budget is achievable and sustainable, and services can be delivered within the anticipated funding available.
6. In order to provide assurances that the budget estimates are robust the Assistant Director of Finance (Section 151 Officer) has had regard to the following factors:
  - Financial Management arrangements and control frameworks
  - The Budget and Business Planning Process

- Budgeting assumptions, including:
    - resources available from central Government and local taxation
    - impact of inflation and pay awards
    - consideration of market risk
    - locally identified budget pressures
  - The affordability of the capital programme
  - Financial risks
7. In setting the budget and prudently managing its finances, the council holds both general balances and specific earmarked and ring-fenced reserves. A risk assessment is carried out to determine the minimum level of general balances that the council should hold. This has been determined to be £7.8m for 2025/26.

### **Financial management arrangements and control frameworks**

8. The council expects to receive a disclaimed audit opinion for 2022/23. This disclaimed opinion is as a result of the external auditors not having sufficient time to provide their opinion before the “backstop” deadlines were reached for the relevant financial years. As a result of receiving a disclaimed audit opinion in 2022/23, the council anticipates that it will receive a disclaimed opinion for its 2023/24 accounts. The 2023/24 disclaimed opinion is as a result of the previous disclaimed opinion as the auditors ran out of time to get assurance over the opening balances of the council’s statement of accounts before the “backstop” deadline. This is a phenomenon that is affecting local government as a sector and is not unique to local government.
9. Whilst external auditors are able to provide disclaimed opinions on the accounts, they are still required to form a opinion in respect of the council’s ability to secure value for money. The auditor’s conclusions are based on whether the organisation has proper arrangements in place for securing financial resilience and for challenging how it secures economy, efficiency and effectiveness. The council received an unqualified value for money conclusion for 2022/23 and expects the same for 2023/24.
10. The council has good governance arrangements in place. The Section 151 Officer has responsibility for ensuring that an effective system of internal control is maintained to provide an assessment of the current position across the whole council and identifying areas for improvement where appropriate. External audit’s Audit Results Report (ARR) had no findings to report on the council’s Annual Governance Statement (AGS) for 2022/23 and the draft ARR for 2023/24 reached the same conclusion. Areas for improvement are reported to Accounts, Audit & Risk Committee and monitored in-year through the Corporate Oversight and Governance Group.
11. The Code of Practice for Financial Management (the FM Code) was introduced by CIPFA in November 2019. The Code clarifies how Chief Finance Officers

should satisfy their statutory responsibility for good financial administration as required in Section 151 of the Local Government Act 1972. Full compliance with the FM Code is expected again in 2025/26. Annex 1 below sets out a compliance assessment against the Code's standards. All of the 19 Standards have been assessed as Green meaning that compliance can be evidenced. Where relevant, proposed further actions that can be taken to enhance compliance have been included in the assessment. The assessment will also be used to help inform the council's 2024/25 AGS which will be published alongside the 2024/25 Statement of Accounts. In addition, the council is compliant with:

- The Code of Practice for Local Authority Accounting in the United Kingdom
  - The Prudential Code for Capital Finance in Local Authorities
  - The Treasury Management in the Public Sector Code of Practice
12. A move away from budget 'monitoring' towards budget 'management' was introduced in 2023/24. This requires services to consider their budgets and forecast spend for the year. In addition, budget holders are required to consider, if they are forecasting an overspend, what mitigations can be introduced to reduce the overspend whilst at the same time considering the associated service consequences. This approach will continue in 2025/26, helping to ensure that budget holders continue to be accountable for the budgets they hold and be further strengthened with budget holders having to develop mitigation plans if their forecast budget variance exceeds 2%.

### **Ongoing Financial Impact of Behaviour Change and Market Changes**

13. The financial impact arising from behavioural changes following the COVID-19 pandemic and the cost-of-living crisis has extended into 2024/25 and is anticipated to continue into the medium term. The council has monitored its car parking and retail rental income levels closely and considered:
- car parking income based on the 2024/25 budget management position and assumptions around increases in charges.
  - forecast assumptions around retail rental income levels based on the latest intelligence available.
  - interest rates have significantly increased in recent years and are anticipated to fall in future years.
14. To help insulate the council from further financial impacts, there is £1.1m available in a commercial risk contingency in 2025/26 as well as there being a separate £8.7m market risk reserve and £2.9m interest rate risk reserve should the assumptions highlighted in paragraph 13 change significantly.

## Budget & Business Planning Process

15. The Budget & Business Planning process to prepare for the 2025/26 budget was refreshed in order to directly follow an external process to identify cashable efficiency savings and consider differing levels of service that could be provided as part of the council's approach to transformation. Services worked through the process with consultants to identify potential demand changes, efficiencies and impacts of changes in service levels currently provided. This has helped the council to identify potential options that need to be worked up further in order to deliver savings options for future years of the MTFS (as set out in section 4.5 of the main report). Examination of the budget proposals has been subject to challenge by a corporate transformation board. Only proposals that were fully validated with a clear implementation plan and confirmation from the services that proposals are deliverable in 2025/26 have been included within the 2025/26 budget and MTFS. There has been engagement with the Executive, the Political Group Leaders as well as inviting all members to Budget Planning Committee to consider how the budget was developed over the year. The main changes proposed to the budget were also the subject of public consultation in November and December 2024.
16. Budget Planning Committee considered the proposed revenue savings, pressures, capital bids and fees and charges at its meeting in December 2024. In January 2025, the Committee considered the Capital & Investment Strategy and Reserves Policy and projected reserves levels. Comments from these meetings were considered by the Executive in proposing this budget to council. In addition, the Accounts, Audit and Risk Committee considered and recommended to Executive the Capital & Investment Strategy and Treasury Management Strategy in January 2025.
17. A public consultation on the budget was also held between 22 November 2024 and 23 December 2024. Responses were received from 165 residents and businesses with strong support for all proposals included in the budget consultation. Scrutiny of the budget savings has also been considered from an equalities perspective.

## Budget Assumptions

18. The formation of the 2025/26 budget and indicative budgets for the following four years to 2029/30 have allowed for best estimates of the total financial envelope over the medium term, taking into account anticipated unavoidable pressures plus investments and the savings then required to match the funding available. In forming the estimates various assumptions have been made. The main assumptions together with an assessment of their risk are set out below:
  - a) Funding assumptions – General Government funding by way of the Settlement Funding Assessment for 2025/26 only has been notified by DLUHC as part of

the Local Government Finance Settlement. Where specific government grants have been notified, these are reflected in the Medium-Term Financial Strategy (MTFS).

Beyond 2025/26, there is limited certainty in terms of local government finance. The Government has issued a consultation indicating that a business rates reset and local government finance reform will begin to take place in 2026/27 and be phased over a period of three years, in line with the council's MTFS forecast. The Office for Budget Responsibility has indicated that "unprotected services" will receive annual real terms cuts in funding of 1.1% on average over the next three years. The government has also announced that New Homes Bonus is expected to end. The council has adopted these assumptions and an approximation of the loss of Funding Guarantee Grant as a proxy for financial reform implications. Details and assumptions for 2025/26 have been set out in the Revenue Budget Strategy at Section 4.2 of the Budget Report.

Business rates forecast income for 2025/26 is based on the statutory NNDR1 return. It is assumed that all growth will be removed when the business rate baseline is reset. This is forecast, as the MTFS planning assumption, to begin in 2025/26 and be phased over three years. The Government has indicated in its consultation that business rates resets will be phased over three years. The council has responded to the Government consultation and will monitor future announcements and direction of travel over government funding.

A Band D Council Tax increase of £5 (to £158.50) is proposed for 2025/26 (complying with the referendum limit confirmed in the Local government Finance Settlement) and across the medium term. This is a 3.3% increase in the council's element of Council Tax and is **not considered to be excessive** when comparing against the Government's referendum principles for 2025/26.

The increase in the council tax base for 2025/26 was higher than assumed in the 2024/25 MTFS, with an actual increase of 1.4% Band D equivalent properties in 2025/26 compared to 1.2% forecast in the 2024/25 MTFS. The cause is due to an increase in the rate of house building. Housing growth is assumed for 2025/26 and across the medium term.

- b) Inflation – The council anticipates pay awards will apply over the MTFS period. The council has built the agreed pay award into its 2025/26 assumptions.

Where services submitted pressures linked to inflationary increases these have been funded. The council has provided for contract inflation at 2% in 2025/26. The latest figures from December 2024 show CPI running at 2.5% (compared to 4.0% in December 2023). Whilst inflation has reduced significantly in the last 12 months it is still running at twice the Government's target rate. However, analysis suggests that inflation will continue to fall and could average around 2% across 2025.

Alongside the increases built in for contracts, the council has been prudent in setting aside resource for inflationary pressure in 2025/26. Overall, the council holds an inflation contingency in 2025/26 of £1.0m, equivalent to 4.0% of the net budget. Any inflationary pressures in services funded by grant are expected to be maintained within the level of grant awarded.

- c) 2025/26 Budget Pressures – The council has undertaken regular budget management throughout 2024/25 and reported this to Executive on a monthly basis. As part of this process detailed monitoring of the savings programme has continued. Consideration has been given as to whether any challenges in savings delivery in 2024/25 will continue into 2025/26. Furthermore, services have identified unavoidable budget pressures for 2025/26, which have also been challenged by senior leaders.
- d) 2024/25 Forecast Outturn – The council's forecast financial position up to the end of December 2024 shows a forecast outturn position of an overspend of £0.043m. This is made up of £0.474m in-year savings non-delivery, offset by £0.431m base budget underspends. In addition to forecasting a balanced outturn position the council has also made unbudgeted net contributions of £1.4m to earmarked reserves in 2024/25 through overachievement of interest income through its treasury management function and a one-off improvement due to changes in the council's MRP policy.
- e) Treasury Management – at 31 December 2024, the council held £145m of long term debt with Public Works Loans Board and £35m of short term debt with terms of less than 12 months. All existing debt is at fixed interest rates over various maturity periods. As a result, the council's weighted average cost of borrowing is forecast to increase from 2.65% in 2024/25 to 2.68% in 2025/26 at a time when the Bank of England is forecast to gradually reduce interest rates to 4% by December 2025. The MTFs assumes continuation of the strategy to borrow internally at £61m in 2025/26. The council has a Capital Financing Requirement of £239.8m, forecast to fall to £236.9m by 2026, which external debt will remain below. Debt as at 31 March 2025 is forecast to be £180m made up of loans and an overdraft facility. The council has assessed that its Authorised Limit for External Debt for 2025/26 will be £310m (no change from 2024/25). A large proportion of the borrowing costs will be met by additional income streams. Additionally, all borrowing costs have been included in the Budget and MTFs so the council is able to understand the overall commitments required of it over the medium term.

The proposed MTFs assumes, as per our treasury advisors' forecast, that the bank rate will gradually reduce from 4.75% (December 2024) to 4.25% by June 2025, before gradually reducing to 3.5% in December 2026. For 2025/26 the council anticipates that it will need to take out c£40m borrowing to refinance current loans that are maturing but associated interest costs will be offset by

additional income and has been factored into the MTFs. Based on market rates, the target in-house rate of return on investing surplus cash is 4.0% for 2025/26.

The council makes loans to organisations that help to deliver the priorities of the council. Risk assessments of default against these loans are made to determine an upper limit that the council is prepared to provide across different classes of borrower. For 2025/26 the proposed limit of loans the council can provide is £83.7m, of which £82.6m would be to subsidiaries of the council.

- f) Capital Programme – the proposed Capital Programme has a balanced funding position over the 5-year period to 2029/30 with required borrowing costs to finance it being reflected in the MTFs. The total capital programme is £33.0m, of which £10.2m is planned to be spent in 2025/26. The Capital and Investment Strategy identifies that the council expects its overall debt to remain within both its Operational Boundary for Total External Debt of £200m and Authorised Limit for Total External Debt of £310m.

### Financial Risks

19. Financial risks occur wherever there is uncertainty around the financial impacts. As the council is setting a budget for the coming year, which is a plan for what is expected to happen, there is an inherent risk of uncertainty as a budget cannot be set with the benefit of hindsight.
20. Given the:
- real terms reductions in government grant funding,
  - the limits placed on the level of council Tax increases,
  - the ongoing financial impacts of behaviour change,
  - uncertainty around how inflation levels and interest rates will change in the coming year,
  - the growing unavoidable pressures and the need to deliver savings in future years in particular,

the budget will inevitably contain a degree of risk. The key risks are set out in the following paragraphs. However, to help manage the impact of financial risk, a corporate contingency is proposed. The level of corporate contingency for 2025/26 is £2.6m. The corporate contingency budget is held to cover;

- market risks, including those linked to the ongoing impact of behaviour change as well as volatile markets for commodities and interest rates

- the risk that inflationary pressures are higher than have been identified in the services;
  - the risk that proposed savings are not achieved in full;
  - other unforeseen costs at the time of budget setting.
- a) Behaviour Change – The impact of the changing behaviour of the public and corresponding impacts on the economy and services will continue throughout 2025/26 and over the medium term. This will present several risks to the council including:
- Insufficient market capacity to meet demand;
  - Sustainability of existing contracts for supply of works, goods and services;
  - Increase in price for goods and services;
  - Reduced capacity and availability in the supply chain creating delays in delivery;
  - Workforce availability, recruitment and retention;
  - Reduced income.

Paragraph 13 highlights that the council has made allocations within the budget to address these, and paragraph 14 sets out that there are reserves and contingencies to address these should the pressures provided be insufficient.

- b) Achievement of planned savings – the council has recent experience of delivering savings programmes. However, the scale of potential savings required in the future exceeds those delivered in recent years.
- i) it was successful in identifying and delivering the in-year savings required from its Revised Budget for 2020/21.
  - ii) The council identified a savings programme of £4.3m for 2021/22 and was able to deliver 80% of this programme.
  - iii) The council identified a savings programme of £2.9m for 2022/23. The savings delivery was 75%.
  - iv) The council identified a savings programme of £1.0m for 2023/24. The savings delivery was 80% with mitigations identified for non-delivery.
  - v) The council identified a savings programme of £1.8m for 2024/25. The forecast savings delivery as at the end of December 2024 is around 75% with mitigations identified for non-delivery.

Ongoing existing and proposed savings currently identified in the MTFs which are required to be delivered up to 2029/30 total £2.1m.



All managers have a responsibility to ensure the efficient delivery of services within their resource envelope and, when savings are proposed, that those savings are both realistic in terms of the level of savings and the timing of implementation. Should the level and timing of such savings vary due to unforeseen events, or additional cost pressures be identified, management actions within the relevant services, directorates and subsequently corporately will need to be identified and implemented.

Where a service is overspending it should identify mitigations that could bring the service back on budget. If the service feels these mitigations will have too great an impact on service provision, then it will need to identify why there is a greater priority to retain its provision and request other services in the Directorate identify compensatory mitigations.

Where a directorate is overspending it should identify mitigations that could bring the directorate back on budget. If the directorate feels these mitigations will have too great an impact on service provision, then it will need to identify why there is a greater priority to retain its provision and request other directorates in the council identify compensatory mitigations.

The Corporate Leadership Team will need to consider any mitigations that are developed to ensure the council operates within its budget and make recommendations to the Executive of which should be implemented through the monthly Performance, Finance and Risk Reports.

Service delivery needs to represent value for money and operate within the existing budget profile. Budgets should not be seen as a competing activity against service delivery but act as an enabler for the provision of council services. It is incumbent on budget holders that their level of service delivery is informed by budget. This requires a cultural change, relevant to some areas of the council, which have shown a pattern of overspending pushed by placing service delivery above operating within approved budget levels.

In order to help to address this issue the council is introducing a new financial performance indicator of 2% variance against budget for each Assistant Director's service area. Where a forecast against the agreed revenue budget exceeds this 2% tolerance the service will be invited to Budget Oversight Group to support the service to identify mitigating actions to bring the service back within budget. Ideally these will identify service efficiencies but it may be that the mitigations will have service implications, either in the short-term or on an ongoing basis.

- c) Local Government Funding – changes to the local government funding regime could create significant financial challenges to the council. Uncertainty around the future of New Homes Bonus and the anticipated Fair Funding Review as well as the anticipated business rates reset in 2026/27, all assumed to be

phased over three years per the Government's consultation, will have significant financial consequences on the level of resources available to the council if implemented as set out in the MTFS. The 2025/26 Local Government Finance Settlement was for one year only and includes significant levels of funding which could be one-off, in particular the Funding Guarantee and New Homes Bonus grants. In addition, as an indication of direction of travel for new funding, a very limited amount of new funding identified for local government was distributed to district councils generally and this council specifically.

In addition, it is not yet clear how funding and costs related to Simpler Recycling will be addressed, if at all and also whether the net additional resources from Extended Producer Responsibility will be available on an ongoing basis. The council has assumed that a full business rates reset will take place from 2026/27 (phased over three years), though there are other ways that a reset could be implemented. The Government has indicated that the financial implications of local government reform will be phased over three years. The council is therefore planning for its future resource levels on a prudent basis in an uncertain financial landscape.

Over the medium-term, Office for Budget Responsibility analysis of the Government's Budget and Autumn Statement has given a clear indication that from 2026/27 there are likely to be average annual real terms reductions in the levels of funding made available to unprotected services of 1.1%. The council is using its assumptions around the fallout of one-off resources to approximate this prior to detailed announcements being issued.

- d) Inflation – As set out in paragraph 18b above, the council has made provision for contract inflation of up to 2% across the MTFS period in line with government's inflation target. Pay increases are also assumed over the MTFS period. The contingency budget is available to help mitigate the inflationary risk to the council over and above those inflationary pressures submitted by the Directorates.
- e) Interest Rates – Interest rates have fallen at a slower rate than originally anticipated in 2024 but are forecast to continue to fall gradually in 2025 before gradually reducing to around 3.5% by December 2026. The council borrowed at fixed rates to mitigate the risk for its current borrowing needs. This did not include future requirements or amendments to plans that were in place at the time. Therefore, the costs of borrowing for new capital schemes or varying existing plans is far greater than it has been historically. There is also a risk that when we come to take out replacement borrowing the rates are higher than we have budgeted for. The council has made prudent forecasts based on the information currently available but must accept that in these turbulent times there is reduced economic certainty and will continue to work with its treasury advisors to operate the most prudent approach to borrowing with the

information available at the time. Surplus interest income in 2024/25 has been put to a Interest Rate Risk reserve to help to mitigate the council against the risk of interest rate falling at a slower rate than forecast.

- f) Contingent Liabilities – as with many large, complex organisations, there are a number of contingent liabilities that the council is aware of but it is not clear over the size, timing or whether they will occur. As it is impossible to budget accurately for these, the council mitigates this risk by retaining the policy contingency budget and reserves, to be applied if the contingent liabilities crystallise and the council cannot find another approach to address them.

### **Level of total reserves**

21. As described above the financial environment in which the council operates is subject to risk and uncertainty. There is significant risk and uncertainty to the council's medium-term funding with local government funding reviews expected to take place to consider how resources should be allocated across local government and how a reset of business rates income will be introduced.
22. The Reserves Policy at Appendix 14 sets out the council's policies underpinning the maintenance of a level of general balances and earmarked reserves. As well as holding a contingency budget, general balances are also held to ensure that a major incident or emergency can be managed without impacting on other services. In reaching my decision on the minimum level of balances I feel are appropriate to be held for 2025/26, I have considered the strategic, operational, and financial risks facing the authority including the ability to deliver planned savings, as well as external risks such as further economic shocks. The minimum level of balances for 2025/26 based on this risk assessment is £7.9m, with the current 2024/25 outturn position forecast to be £6.1m, in line with the previous assessment; a S151 review of reserves was carried out to ensure that sufficient general balances will be in place for 2025/26. This minimum level of general balances has also taken into consideration the level of earmarked reserves that the council holds which could be diverted for other purposes if required; if there was a proposal to allocate additional earmarked reserves then an updated assessment of the minimum level of general balances would be required. The assessment of minimum level of general balances can be seen at Appendix 15.
23. Earmarked reserves are also held for specific planned purposes. In assessing the appropriate level of reserves, a review has been undertaken to determine if they are both adequate and necessary. The review has identified where there are plans for future spending to take place and that there are sufficient reserves available for this. There are also sufficient earmarked reserves available to support budgetary challenges and pump prime work to identify service changes necessary to operate within the council's future financial envelope. It is

currently anticipated that the total medium-term reserves and balances (revenue and capital) to be held by the council will be £43.7m.

24. It should be noted that in the event that reserves are used to support the council's budget position, they will only be able to be used on a one-off basis and do not provide a permanent budget solution to the financial challenges faced as, once a reserve is used, it cannot be used again. This budget is making a net contribution to earmarked reserves of £2.7m, with the use of earmarked reserves restricted to time limited items and grant funded reserves being used in line with the grant conditions.
25. A summary of the reserves estimates for the council taken from Appendix 16 is as follows:

Reserve Category	Forecast Balance 1 April 2025 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Expected Balance 1 April 2030 £m
General Balances	(7.853)	0.000	0.000	0.000	0.000	0.000	(7.853)
Earmarked Reserves	(28.848)	(2.663)	(0.339)	(0.449)	(0.449)	(0.449)	(33.227)
Revenue Grants	(1.280)	0.523	0.007	0.007	0.007	0.007	(0.730)
<b>Sub-total Revenue Reserves</b>	<b>(37.981)</b>	<b>(2.110)</b>	<b>(0.392)</b>	<b>(0.442)</b>	<b>(0.442)</b>	<b>(0.442)</b>	<b>(41.810)</b>
Capital Reserves	(5.948)	0.720	3.355	0.000	0.000	0.000	(1.873)
<b>TOTAL RESERVES</b>	<b>(43.929)</b>	<b>(1.390)</b>	<b>2.963</b>	<b>(0.442)</b>	<b>(0.442)</b>	<b>(0.442)</b>	<b>(43.683)</b>

### CIPFA Financial Resilience Index

26. CIPFA's Financial Resilience Index is a comparative analytical tool that is used to support good financial management, providing a common understanding within a council of their financial position. The index shows a council's position on a range of measures associated with financial risk relative to other local authorities; it does not try to make an assessment of the absolute level of risk within the sector. The index is made up of a set of indicators which take publicly available data and compare similar authorities across a range of factors. There is no single overall indicator of financial risk, so the index instead highlights

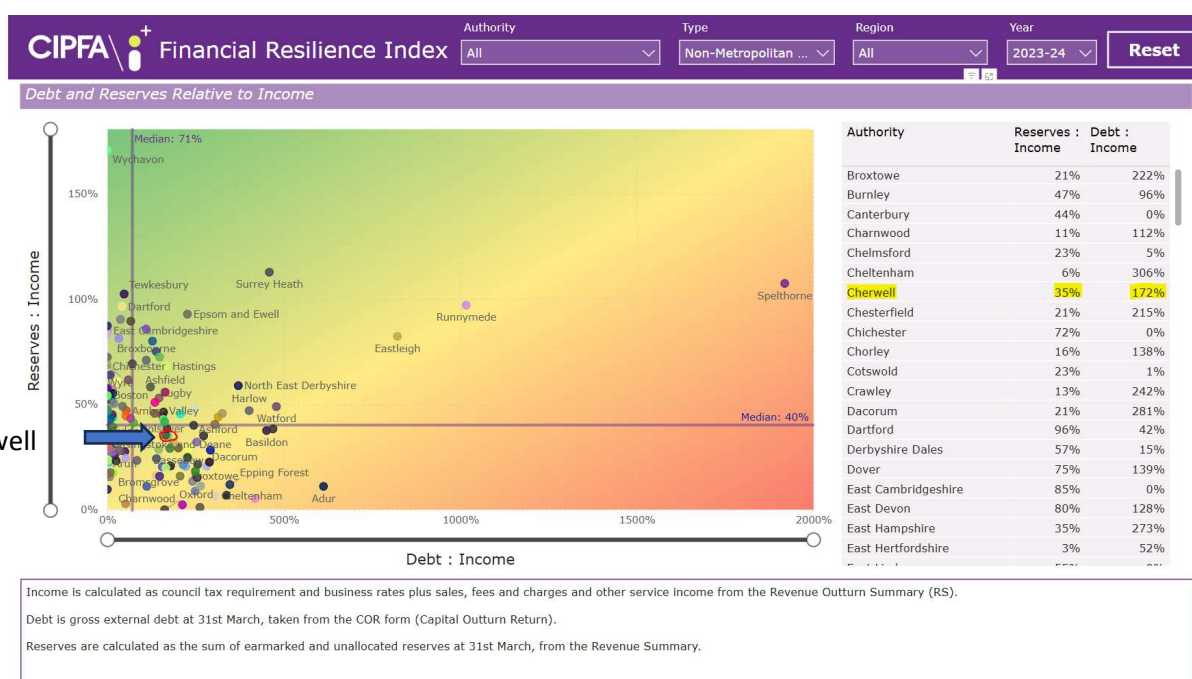
areas where additional scrutiny should take place in order to provide additional assurance.

27. The data is obtained from the Revenue Expenditure and Financing England Outturn Report 2023/2024. It should therefore be viewed in the context of this being a snapshot 12 months ago.
28. The following paragraphs comment on the council's position relative to all other non-metropolitan district councils.
  - a) Level of Reserves – This is the ratio of the current level of reserves to the council's net revenue expenditure. The council's ratio is 100.00% in a range of 0.00% (higher risk) to 100.00% (lower risk). The council is at the lowest risk position of District Councils.
  - b) Change in Reserves – This shows the percentage change in reserves over the past three years. The council's change is –57.11%% in a range of -100.00% (highest risk) to 74.67% (lowest risk). The council is identified at around the higher risk end of the spectrum of District Councils. However, it should be noted that a large proportion of Cherwell's change will relate to the timing of income streams linked to business rates reliefs – where government grants were allocated in 2021/22 and used in 2022/23.
  - c) Interest Payable/Net Revenue Expenditure – This indicator is the ratio of interest payable to net revenue expenditure. The range for all District Councils is 0.00% (lower risk) to 1,067.98% (higher risk). The council's ratio is 16.16%. The council is identified around the upper quartile of District Councils although it is not an outlier compared to the majority of councils. It should be noted that the council generates other income streams to help meet these interest costs as well as resources from the net budget being available if necessary.
  - d) Gross External Debt – This indicator compares the gross external debt held by councils. The range for District Councils is from £0 to £2,125m, with Cherwell at £181m and in the upper quartile of non-metropolitan district councils. This reflects the decisions taken to finance the capital programme, including Castle Quay and Graven Hill, through borrowing.
  - e) Fees & Charges to Service Expenditure Ratio – This indicator shows the proportion of fees and charges against the council's total service expenditure. The range for District Councils is 1.18% (highest risk) to 53.12% (lowest risk), with Cherwell at 14.59%, a reduction from last year. The council has relatively low fees and charges income compared to its total expenditure which means it is more susceptible to changes in Government funding, but also makes it less vulnerable to economic shocks. The council should consider whether it is raising sufficient income through its fees and charges in the future to reduce its reliance on central government related resources.

- f) Council Tax Requirement/Net Revenue Expenditure – This indicator shows the ratio of council tax as a proportion of net expenditure. The range for District Councils is 19.81% (highest risk) to 540.40% (lowest risk), with Cherwell at 50.08%. Cherwell is in the upper quartile for risk of council tax income as a proportion of its budget. This reflects the fact that the council has a lower-than-average band D council tax as a result of nine-years of not increasing council tax up to 2019. The council has subsequently been addressing this in recent years by increasing its council tax by the maximum allowed without triggering a referendum.
- g) Growth Above Baseline - This indicator is calculated as the difference between the baseline funding level and retained rates income, over the baseline funding level. The range for District Councils is -35.20% (lower risk) to 435.83% (higher risk) with the council at 171.60%. This is perceived as a risk as, in comparison with many other Districts, the council's retained income from business rates is high – which is a reflection of having a successful strategy to grow business rates in Cherwell over the period. However, the proposed MTFS assumes a phased reset begins to take place from 2026/27. The council has already acknowledged this risk and will plan to address this in developing the 2025/26 MTFS and budget. It should also be noted that both the timing of a reset and form (i.e. whether all growth is reset) is not certain.
- h) Unallocated Reserves – This indicator is calculated as the ratio of unallocated reserves to net revenue expenditure. The range for district councils is 0.00% (highest risk) to 1,562.20% (lowest risk) with the council at 20.98%. The council is at the median risk of non-metropolitan districts. This analysis is based on 2023/24; as part of the 2025/26 budget, unallocated reserves are being increased. When unallocated and earmarked reserves are combined the council has in excess of 125% of its net budget available as reserves.
- i) Earmarked Reserves – This indicator is calculated as the ratio of earmarked reserves to net revenue expenditure. The range for district councils is 0.00% to 3,461.78% with the council at 105.32%. The council is at the median risk of district councils. When unallocated and earmarked reserves are combined the council has in excess of 125% of its net budget available as reserves.
- j) Change in Unallocated Reserves – This indicator is the average change in unallocated reserves over the past three years. The range for district councils is -100.00% (highest risk) to 232.09% with the council at 23.04%. The council is around the lower quartile for risk demonstrating that it has been prudent in not only ensuring its unallocated reserves have not reduced in recent years, but also having increased them.
- k) Change in Earmarked Reserves – This indicator is the average percentage change in earmarked reserves over the past three years. The range for district

councils is -100.00% (higher risk) to 336.36% with the council at -62.04%. This is in the upper quartile of risk relative to other district councils. However, this primarily reflects the level of reserves generated and then released related to business rates reliefs awarded by the Government after budgets being set in relation to Covid and the timing of when income could be recognised.

- l) Debt and Reserves Relative to Income – the chart below shows all district councils graphically comparing the ratios ‘reserves:income’ and ‘debt:income’. The council’s ‘reserves:income’ ratio is 35% (median 35%) and ‘debt : income’ ratio is 172% (median 52%). Cherwell has been circled in red below to show where it sits relative to all other district councils. Cherwell has below the median unallocated ‘reserves : income’ ratio and above the median ‘debt : income’ ratio but is not a visible outlier relative to other district councils shown on the chart.



**Assurance Statement of the Chief Finance Officer**

29. The proposed budget for 2025/26 and Medium-Term Financial Strategy to 2029/30 addresses the demand pressures, inflationary risks and behaviour changes which are expected to continue into the medium term.
30. Whilst the 2025/26 budget is balanced, there remains a significant gap between estimated spend and funding streams between 2026/27 and 2029/30. This is primarily due to the anticipated funding changes beginning in 2026/27 and being phased over 3 years:
  - business rates reset
  - fair funding review

- removal of New Homes Bonus
31. Therefore, the council needs to maintain focus on financial sustainability and producing a balanced budget over the medium term, which will require it to prioritise and transform services. It is important to note that plans should be developed for all years of the MTFs, and savings of this scale **will** impact on all services of the council and the level of service the council is able to provide. The council has begun this process through the transformation programme and identified a number of ideas that now need to be reviewed and level of savings that can be delivered be validated along with implementation plans. This process should continue as soon as possible after the 2025/26 budget is approved. In addition work identifying potential future service levels and associated funding levels should continue to be developed in order to prepare a combined transformation and service reduction options to deliver a balanced budget over the medium term.
  32. The risks in the 2025/26 budget are predominantly in relation to the uncertainty around inflation, market risk and interest rates. To help mitigate this a contingency budget of £2.6m is available, the £8.7m market risk reserve and £2.9m interest rate equalisation reserve.
  33. The system of financial control remains robust, and financial management and financial systems are monitored to ensure they remain effective and relevant. Where areas for improvement are identified actions are agreed with directorates and support provided to implement them.
  34. I believe the level of the council's total reserves are sufficient to provide both general balances to manage the impact of unexpected events in line with the risk assessment; and the setting aside of earmarked reserves to meet known or anticipated liabilities.
  35. Therefore, I am satisfied that the budget proposals for 2025/26 recommended by the Executive are robust.

**Michael Furness, Assistant Director of Finance (S151 Officer) (Chief Finance Officer)**

12 February 2024



**Appendix 1 – Summary Financial Management Code Assessment**

**General Opinion**

It is the opinion of the Chief Finance Officer (CFO) that the council is currently financially resilient, continues to strive in delivering value for money to its residents and businesses and aims to provide the capacity to deliver its strategic ambition within the challenging environment within which it operates. In its aim of striving for financial excellence, the council continues to identify areas for improvement as it seeks to deliver its ambitious corporate priorities and its core services during a period of volatility and financial constraints.

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
1.	<b>Responsibilities of the CFO and Leadership Team</b>			
A Page 97	The leadership team is able to demonstrate that the services provided by the authority provide value for money	<p>The Constitution – updated Feb 2024, included revised refreshed financial procedure rules. There is a clear governance structure, with well-defined roles for Members, committees and all Chief and Statutory Officers. The collective responsibility for the achievement of Value for Money (VFM) is made within the constitution. This is reviewed and updated regularly. The constitution is reviewed regularly.</p> <p>Procurement and contract management regulations - The organisation ensures that all services tendered by the Council provide the best use of resources. Tenders are assessed against quality of service as well as price, with social value considered a key part of procurement.</p> <p>Contracts and third-party agreements require review and approval by finance, procurement</p>	<p>Develop a statement of how proposals in committee reports will deliver value for money where appropriate</p> <p>Review the use of service benchmarks to understand cost drivers and to identify where further cost improvement may be possible.</p> <p>Further benchmarking and cost review across other council services</p>	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
Page 98		<p>and service head/director which is a process to ensure procurements have been compliantly undertaken.</p> <p>The Gateway Process approach incorporates a robust gateway-based process for decision making. Business cases which are the key decision-making documents include details on options, benefits (nonfinancial and financial) and the cost for delivery and through an investment appraisal providing a clear view of the value for money before projects are finalised and approved.</p> <p>Benchmarking of some services has been carried out in specific areas of high demand and risk e.g., environmental services. Further benchmarking across other council services and cost review to be a focus in 2025/26 with a view of identifying opportunities to improve value for money whilst also focusing on demand management in the medium term.</p> <p>Overview and Scrutiny committee meets 6-7 times a year, examines policy and performance of services and can refer matters to Executive.</p> <p>External Audit review the council's arrangements for VFM and provide a VFM opinion as part of their external audit work on the accounts.</p>		

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
B	The authority complies with the CIPFA “Statement of the Role of the CFO in Local Government”	<p>The CFO is a qualified accountant with significant experience working as an active member of the leadership team. The CFO is a member of Corporate Leadership Team (CLT) and has an influential role with members of the Executive, Accounts, Audit &amp; Risk Committee and lead opposition members.</p> <p>The council’s finance team is resourced at present to deliver the councils key core requirements. The finance function is staffed through permanent staff with good levels of knowledge and experience. The CFO promotes personal development; there are currently two members of the team studying for accounting qualifications.</p>	Review annually the statement of roles and responsibilities of CFO, CLT and the Executive.	
<b>Governance and Financial Management Style</b>				
Page 99	The Leadership Team demonstrates in its actions and behaviours responsibility for governance and internal control	<p>The council’s Constitution includes a copy of the code of conduct, which sets out the principles, behaviour and actions for members and officers of the council. The Code of Ethics and Standards requires all staff to abide by the Nolan Principles in public life. The council has an Accounts, Audit and Risk Committee which reviews the arrangements for assurance.</p> <p>The Head of Internal Audit and Counter Fraud Lead report regularly to this committee on the work of the internal audit and counter fraud teams and have independent direct links to the committee to raise any concerns they may have. The Head of Internal Audit is required to provide an independent opinion each year on</p>	Continue to enhance and develop the role of the Corporate Oversight & Governance Group (COGG).	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		<p>the effectiveness of the system of internal control and also on progress on the delivery of actions recommended through specific internal audit reviews.</p> <p>The Corporate Oversight &amp; Governance Group (COGG) was set up to ensure good governance and internal control, including driving the production of the Annual Governance Statement (AGS) and Action Plan through the completion of Professional Lead Statements and engagement with Corporate Directors.</p>		
Page 100	The authority applies the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)"	<p>The AGS includes an Annual Internal Audit Opinion on the effectiveness of the internal control environment and the systems of internal control and confirms its continuing commitment to the CIPFA Framework.</p> <p>The effectiveness of the council's governance arrangements is reviewed and reported each year through the AGS. Directors and Assistant Directors are required to sign off annual assurance statements, this requires them to confirm whether they are aware of any significant weaknesses in internal control.</p> <p>Accounts, Audit and Risk Committee is responsible for considering the council's arrangements for corporate governance including strategic oversight of risk management processes. Executive retain responsibility for the management of risk.</p>	Continue to enhance and develop the AGS through CLT and respond to emerging best practice.	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
E	The Financial Management style of the authority supports financial sustainability	The Council has moved from a Budget Monitoring approach to Budget Management which is an active approach designed not just to report variances but to develop mitigations in order to manage the in-year variances corporately. A Budget Oversight Group has been established to challenge service areas projecting overspends to contain these within their annual budgets through mitigations.	Continue to challenge budget managers to explore options for mitigating budget variances to ensure financial sustainability.  Reporting could be enhanced with regular reports on FOI, data subject access requests, and EIR requests, to give visibility and assurance on regulatory compliance	
<b>3. Long to Medium-Term Financial Management</b>				
F	The authority has carried out a credible and transparent financial resilience assessment	A Financial Resilience assessment is included within the budget documents reported to Executive and Council. The assessment is consistent with the Medium-Term Financial Strategy (MTFS) assumptions.  As part of refreshing the medium-term financial forecast, a risk assessment is made of likely future pressures and demands, and an assessment is made for a suitable level of General Fund reserve required to mitigated risk. The council maintains a minimum level of general balances for unforeseen risks and circumstances.  A 'going concern' assessment is carried out each year as part of the annual audit process which involves a review of reserve levels and cashflow modelling.	Scenario planning and sensitivities continue to be considered as part of medium-term forecasting.	
G	The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members	The council reviews and identifies each year the risks (local/national, internal/external) facing the council that may have financial	Continue to update CLT and the Executive throughout the year and within Budget/MTFS documents.	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
Page 102		<p>implications and these are outlined in the budget report, Statement of Accounts and MTFS each year. The MTFS resource forecast is competed on a “realistic worst case” scenario with alternative scenarios modelled. A fundamental service review exercise has been undertaken in 2024/25 to identify options to address the “realistic worst case”.</p> <p>Executive and the Budget Planning Committee each received the Budget and Business Planning Process 2024/25 – 2028/29 Report in July 2023 in preparing for 2024/25 budget setting and updated in Sept 2024 for 2025/26 budget setting.</p>		
	The authority complies with the CIPFA “Prudential Code for Capital Finance in Local Authorities”	A Capital Strategy is produced annually. Quarterly Treasury Management monitoring is considered at the Accounts, Audit and Risk Committee. A profiled five-year capital programme was approved by Council in Feb 2024 and is managed monthly and reported to the Executive. The Q2 and Q4 Treasury Management reports include prudential indicators and are also reported to Council.	The quarterly TM reports contain updates on Prudential Indicators but this could be expanded to further facilitate the interpretation of them for readers.	
1	The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans	The council has an Integrated Business Planning and Budget Process with a five-year MTFS which supports the delivery of the councils’ statutory duties and corporate plan priorities. The service business planning process in 2024/25 sought to ensure consistent business plans were in place for the delivery of the council’s Business Plan for all	Continue to ensure services are aware of future savings plans committed to and savings are implemented. Encourage ‘early alert’ if future savings are at risk so that mitigations can be put in place and potentially get savings back on track.	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		directorates which included the financial resources required for delivery and hence sustainability.		
<b>4. The Annual Budget</b>				
J	The authority complies with its statutory obligations in respect of the budget setting process	<p>The Council produces its annual balanced budget and supporting documentation.</p> <p>The council's CFO is fully aware of the circumstances under which to issue a Section 114 and does not anticipate this being required in respect of budget setting at this time, though this is kept under review.</p>		
K	The budget report includes a statement by the CFO on the robustness of the estimates and a statement on the adequacy of the proposed financial reserves	S25 statement accompanies the suite of budget documents reported to Executive and Council. Enhanced by including an assessment of compliance with the FM Code.		
<b>Stakeholder Engagement and Business Plans</b>				
Page 103	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget	<p>Consultation on the budget proposals as well as ensuring we carry out the statutory business rate payers' consultation.</p> <p>The council's 2024/25 Business Plan was developed through key findings from working with and engaging with local residents, staff, businesses, partner agencies and organisations and seeks to deliver district-wide ambitions. This can be found on the council's website. This will be refreshed for 2025/26.</p> <p>The council continually reviews and refreshes its communication strategy / plans to improve the communication of the council's financial position, strategic plans and aims to key stakeholders in the community.</p>	Continue with corporate and directorate consultation where appropriate.	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
M	The authority uses an appropriate documented options appraisal methodology to demonstrate the value for money of its decisions	<p>A gateway process which includes a standardised business case is required for all capital schemes which sets out alternative options, the reasons for discounting them and benefits of progressing with the scheme. All tenders consider VfM by considering the quality of service and not just price – the appraisal process is documented. The Extended Leadership Team (ELT) are responsible for overseeing the Gateway process for evaluation of projects. The process considers factors such as VFM, business need and recommendations are made to CLT who in turn recommend to Members.</p> <p>The gateway process is being enhanced to ensure that benefits realisation plays a more significant role in the future.</p>	Continue to embed Gateway process and refine business case templates from outline through to full for both revenue and capital schemes for all strategic boards.	
<b>6. Monitoring Financial Performance</b>				
N	The Leadership Team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability	The quarterly Performance, Risk and Finance Report to Executive enables CLT and Executive to respond to emerging issues. Enhancements to capital reporting have been introduced to now include analysis of variances to the total cost of the scheme rather than comparison to in-year profiled budget. All capital schemes are now monitored by either a strategic board (for place shaping or transformational schemes) or by the appropriate Directorate Leadership Team (for Business As Usual schemes).	The Capital Programme monitoring element requires enhancement to: <ul style="list-style-type: none"> <li>• better reflect performance and the delivery of outcomes linked to the completion of capital schemes.</li> <li>• Better understand the drivers of budget reprofiling</li> </ul>	



Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		Monthly Budget Management reports are prepared to identify as quickly as possible challenges to the budget. As a result of this “early warning system” management has established the Budget Oversight Group to work closely with services that are overspending to identify options to come back on budget.		
O	The Leadership Team monitors the elements of its balance sheet that pose a significant risk to financial sustainability	Reserves and balances are monitored quarterly and reported to Executive. Changes in budgeted use require appropriate approvals before they can be assumed. Debtor monitoring takes place monthly, identifying and analysing aged debt. Regular review and management of aged debt has resulted in either recovery or unrecoverable debts being written off in a timelier manner. CLT receive a quarterly report on the top 20 debtors, this is also reported to the ELT and to DLTs.	Continue to enhance reporting of aged debt to enable budget managers to effectively manage their aged debt.	
7.	<b>External Financial Reporting</b>			
P	The CFO has personal and statutory responsibility for ensuring that the statement of accounts produced by the local authority complies with the reporting requirements of the “Code of Practice on Local Authority Accounting in the United Kingdom”	<p>The responsibilities of the CFO are set out in the constitution, financial regulations and are also included in employment contract/job description as well as in statute.</p> <p>The annual accounts are produced in compliance with the CIPFA Code by appropriately qualified and trained individuals and are approved by the CFO and the external auditors prior to approval by the Accounts, Audit and Risk Committee. The draft accounts for 2022/23 were published after the statutory deadline due to audit delays on the 2021/22</p>	Continue close working with the council’s external auditors to deliver a final audited set of accounts in a timelier manner.	

Ref	CIPFA Financial Management Standards	Current Status	Further Work	Status
		<p>accounts. However, the draft 2023/24 accounts were published prior to the statutory deadline. For various reasons the publication of the final accounts has been delayed in recent years, however council officers and the auditors are progressing the completion of these audits, and it is envisaged the 2022/23 audit will be completed during 2024/25 with the 2023/24 audit and the publication of final accounts soon thereafter.</p>		
Q Page 106	<p>The presentation of the final outturn figures and variations from budget allows the leadership team to make strategic financial decisions</p>	<p>CLT and Executive consider the outturn report and year end variances enabling strategic financial decisions to be made as necessary.</p> <p>The outturn position is then used to inform and update the in-year budget position, medium term financial planning projections and to inform the forward forecast and adequacy of reserves and balances.</p>	<p>Feedback regularly sought to improve the quality of reporting.</p>	

Appendix 4 - Service Efficiencies & Income Proposals

Figures are shown as an incremental, year on year change to the budget

Communities										
Reference	Existing, New or Income	Service	Title	Description	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)	Total MTFS (£m)
SBCON221	Existing	Building Control	Building Control fees	Increase Building Control fees	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.005)
SMUSE221	Existing	Banbury Museum	Reduction in Banbury Museum grant	Reduce the grant funding to the Banbury Museum Trust - delayed by 1 year to 2025/26	(0.025)	(0.050)	-	-	-	(0.075)
SMUSE231	Existing	Banbury Museum	Gradual reduction in support to Banbury Museum	We are proposing a gradual reduction in the funding we give to Banbury Museum - delayed by 1 year to 2025/26	(0.020)	(0.025)	-	-	-	(0.045)
SBICR231	Existing	Bicester Regeneration	Gradual reduction in grant to Bicester Vision	We currently contribute £15k towards the work on Bicester Vision, which is the only contribution we make to organisations leading similar projects across the district. By tapering this contribution off over three years as a saving we can ensure we are treating these organisations equally and provide resilience for Bicester Vision to adapt its funding streams	(0.005)	-	-	-	-	(0.005)
SECON233	Existing	Economic Growth	Cutting grant to Experience Oxfordshire	Continuation of phased reduction of grant to Experience Oxfordshire	(0.005)	-	-	-	-	(0.005)
SADGE241	Existing	Growth & Economy	Recharge staff time to projects	A proportion of staff time will be recharged, for the relevant financial year, to externally funded projects	0.017	-	-	-	-	0.017
SDMAN242	Existing	Development Management	National agreed increase in planning fees	National agreed increase in planning fees	(0.001)	(0.001)	(0.001)	(0.001)	(0.001)	(0.005)
SECON241	Existing	Economic Growth	One Year delay of Economic Prosperity Strategy	The proposal is to delay the Economic Prosperity Strategy for one year	0.041	-	-	-	-	0.041
SECON242	Existing	Economic Growth	Officer time recharged to projects	Selected and proportionate recharging of revenue costs to one off grants (Bicester Garden Town Capacity fund and UKSPF)	0.127	-	-	-	-	0.127
EEV22503	New	Environmental	Development Monitoring	Charging developers for extra monitoring and defect checks	(0.006)	-	-	-	-	(0.006)
DHW2503	New	Housing & Wellbeing	Leisure Contracts	Reducing costs in our leisure contracts	(0.350)	-	-	-	-	(0.350)
EHW2501	New	Housing & Wellbeing	Youth Activator Mileage	Using electric pool cars to save on mileage expenses and reduce carbon emissions	(0.006)	-	-	-	-	(0.006)
DHW2502	New	Housing & Wellbeing	Holiday Programme	Transferring the 5 to 11 year olds' holiday programme to our leisure provider	(0.006)	-	-	-	-	(0.006)
ERG2504	New	Regulatory	Health Protection and Compliance	Removing vacant job posts where possible	(0.025)	-	-	-	-	(0.025)
IPD2501	Income	Planning & Development	Land Drainage	Increase Land Drainage Recovery Costs	(0.008)	-	-	-	-	(0.008)
IPD2502	Income	Planning & Development	Street Naming Fees	Street Naming Fee Increase	(0.009)	-	-	-	-	(0.009)
IPD2504	Income	Planning & Development	Planning Pre-applications	Review of Pre-application Service	(0.044)	-	-	-	-	(0.044)
IPD2505	Income	Planning & Development	Planning Performance Agreements	Planning Performance Agreements	(0.050)	-	-	-	-	(0.050)
IREG2501	Income	Regulatory	Primary Authority Scheme	Primary Authority Scheme Increase	(0.004)	-	-	-	-	(0.004)
	Income	Environmental	Garden Waste	Garden Waste Subscription fee increase from £49 to £55 (12%) then £59 (7%)	(0.143)	(0.064)	-	-	-	(0.207)
				<b>Total</b>	<b>(0.523)</b>	<b>(0.141)</b>	<b>(0.002)</b>	<b>(0.002)</b>	<b>(0.002)</b>	<b>(0.670)</b>

Appendix 4 - Service Efficiencies & Income Proposals

Figures are shown as an incremental, year on year change to the budget

Resources										
Reference	Existing, New or Income	Service	Title	Description	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)	Total MTF5 (£m)
SELEC221	Existing	Elections	Parish Election Charges	Review of recharges to Parishes for CDC running Parish Elections	-	(0.002)	(0.001)	-	-	(0.003)
SINVP221	Existing	Property	Commercial Rents	Change in rental income from commercial council properties through contractual lease reviews	0.020	(0.035)	-	-	-	(0.015)
SCARP222	Existing	Car Parking	Car park fees	Increase annual car parking charge of no more than 10p per hour	(0.100)	(0.100)	(0.100)	(0.100)	(0.100)	(0.500)
SFCOS231	Existing	Finance	Ensure services funded through external grants reflect the costs of support services required	Through adopting a new approach to allocating any grants we receive towards services we can deliver savings on existing and future grants by ensuring they take into account all the costs of providing the services	(0.080)	-	-	-	-	(0.080)
SPERF231	Existing	Performance	Performance System Contract	Our performance system contract needs to be renewed every other year	(0.010)	0.010	(0.010)	0.010	-	0.000
EFI2503	New	Finance	Vacant Post	Removing vacant job posts where possible	(0.140)	-	-	-	-	(0.140)
EDI2502	New	Digital & Innovation	Laptops as Corporate Assets	Centralising our computer budgets and making our equipment replacement programme more efficient	(0.010)	-	-	-	-	(0.010)
EHR2503	New	Human Resources	Review JE system	Simplifying the job evaluation process by using one scheme instead of two	(0.010)	-	-	-	-	(0.010)
EHR2504	New	Human Resources	Removal of Apprenticeship	Removing vacant job posts where possible	(0.019)	-	-	-	-	(0.019)
EHR2507	New	Human Resources	Overtime Review	Reducing weekday overtime rates to standard pay	(0.081)	-	-	-	-	(0.081)
ELG2501	New	Law & Governance	Electronic Sealing and Signing	Introducing a secure electronic document signing and sealing system to save time and money	(0.004)	(0.003)	-	-	-	(0.007)
EPROP2504	New	Property	Facilities Management	Finding efficiencies within facilities management	(0.018)	(0.040)	(0.040)	-	-	(0.098)
EPROP2506	New	Property	Community Assets	Clarifying tenant's responsibilities to avoid extra work and costs	(0.005)	-	-	-	-	(0.005)
EHW2504	New	Property	Maintenance Contractor Framework	Exploring a shared contractor framework covering property, wellbeing and housing repairs to reduce costs	(0.005)	-	-	-	-	(0.005)
ICF2501	Income	Customer Focus	Land Charges	Increase of new Land Charges to supplement an income which declines	(0.005)	-	-	-	-	(0.005)
IPROP2501,2,3,6	Income	Property	Leasehold Management	Leasehold Management	(0.050)	-	-	-	-	(0.050)
				<b>Total</b>	<b>(0.517)</b>	<b>(0.170)</b>	<b>(0.151)</b>	<b>(0.090)</b>	<b>(0.100)</b>	<b>(1.028)</b>

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Exec Matters											
Reference	Existing, New or Income	Service	Title	Description	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)	Total MTF5 (£m)	
EFI2501	EFI2504	New	Exec Matters	Balance Sheet Review	After reviewing our balance sheet, using available resources to help lower borrowing costs	(0.335)	(0.009)	(0.008)	(0.008)	(0.009)	(0.369)
				<b>Total</b>	<b>(0.335)</b>	<b>(0.009)</b>	<b>(0.008)</b>	<b>(0.008)</b>	<b>(0.009)</b>	<b>(0.369)</b>	
				<b>Total Existing Efficiencies</b>	<b>(0.042)</b>	<b>(0.204)</b>	<b>(0.113)</b>	<b>(0.092)</b>	<b>(0.102)</b>	<b>(0.553)</b>	
				<b>Total New Efficiencies</b>	<b>(1.020)</b>	<b>(0.052)</b>	<b>(0.048)</b>	<b>(0.008)</b>	<b>(0.009)</b>	<b>(1.137)</b>	
				<b>Total Income</b>	<b>(0.313)</b>	<b>(0.064)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(0.377)</b>	
				<b>Total Savings</b>	<b>(1.375)</b>	<b>(0.320)</b>	<b>(0.161)</b>	<b>(0.100)</b>	<b>(0.111)</b>	<b>(2.067)</b>	

Appendix 5 - Service Investments Proposals

Figures are shown as an incremental, year on year change to the budget

Communities										
Reference	Existing, Savings Non-Delivery, or New	Service	Title	Description	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)	Total MTF5 (£m)
SBCON221	Savings Non-delivery	Building Control	Building Control fees	Increase Building Control fees	0.001	0.001	0.001	0.001	0.001	0.005
PWAST231	Existing	Waste & Recycling	Additional crew and vehicle for growth of the district	Housing growth in the district is rising rapidly, which means a new waste crew is required approximately every 3 years. As this is entirely dependent on the level of housing growth we cannot predict exactly when this need will arise. We anticipate needing an additional crew in 2026/27 and we have identified an additional vehicle through the vehicle replacement programme.	-	0.170	-	-	-	0.170
PEMPL231	Existing	Emergency Planning	Inflationary costs in relation to the Council's Emergency Planning responsibilities	Cherwell District Council is supported by Oxfordshire County Council to prepare for and respond to emergency incidents that may arise in the district. Cherwell District Council pays for this support through a service level agreement with the County Council which includes provision for the rise in staffing costs	0.001	0.001	0.001	-	-	0.003
PPPOL241	Existing	Planning Policy	Local Plan	Increasing the budget to reflect the true costs of Local Plan Examinations - to be offset by use of other reserves	(0.125)	-	-	-	-	(0.125)
PAFFH242	Existing	Affordable Housing	Change in income	Revised profile of income due to the building being vacant whilst roof is repaired	(0.066)	-	-	-	-	(0.066)
MOTION	Existing	Planning Policy	Kidlington & Yarnton Vision 2050	To develop a holistic strategy for Kidlington's Infrastructure	(0.020)	-	(0.095)	-	-	(0.115)
MOTION	Existing	Environmental Strategies	Solar Energy Strategy	To commission a robust, research-based strategy for solar electricity production in Cherwell, in order to achieve the optimum balance of power generation by solar farms, by roof panels on new commercial and residential developments, and, crucially, their retrofitting on existing public, business and domestic buildings.	(0.020)	-	-	-	-	(0.020)
DEV22501	New	Environmental	Tree Inspections	Tree inspections required more frequently to minimise risks to the public in line with legislation	0.035	-	-	-	-	0.035
DHW2502	New	Housing & Wellbeing	Temporary Accomodation	Demand for temporary accomodation rising throughout this year and expected to continue into 2025/26. Placements create financial pressure.	0.250	-	-	-	-	0.250
DPD2503	New	Planning & Development	Community Infastructure Levy	One off implementation costs of CIL is required	0.079	(0.080)	-	-	-	(0.001)
DPD2504	New	Planning & Development	Conservation Areas	To support a new programme of Conservation Area Appraisals	0.020	-	-	-	-	0.020
DRG2501	New	Regulatory	Environmental Enforcement/Dog Service	The costs for the collection and kennelling of stray dogs has increased	0.024	-	-	-	-	0.024
<b>Total</b>					<b>0.179</b>	<b>0.092</b>	<b>(0.093)</b>	<b>0.001</b>	<b>0.001</b>	<b>0.180</b>

Resources										
Reference	Existing, Savings Non-Delivery, or New	Service	Title	Description	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)	Total MTF5 (£m)
SAV2193	Existing	Property	Commercial Rent	Forecast change in rental incomes for Council owned properties	0.012	-	-	-	-	0.012
PPREV241	Existing	Property	Asset Management Plan Condition Surveys	As part of the creation of the Council's property asset management plan condition surveys of all of the corporate and commercial property stock. To be offset by use of property reserve.	(0.075)	-	-	-	-	(0.075)
	Savings non-delivery	Finance	Grant Top Slicing	The Pan Regional Partnership which contributes the majority of this target grant top slice to contribute to overheads is expected to end in 24/25	0.075	-	-	-	-	0.075
DFI2501	New	Finance	Financial System Upgrade	The Unit4 financial management system requires an upgrade as the version we are currently using will cease to be supported	0.050	(0.050)	-	-	-	0.000
DHR2501	New	Human Resources	Graduate Trainees x 2	One off funding for graduate training positions	0.075	(0.075)	-	-	-	0.000
DLG2501	New	Law & Governance	Committee Management System (CMS) Hosting Arrangements	Enable cloud hosting environment	0.024	(0.010)	-	-	-	0.014
DLG2504	New	Law & Governance	Increase in Legal Services Budget	One additional Solicitor	0.051	-	-	-	-	0.051
				<b>Total</b>	<b>0.212</b>	<b>(0.135)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.077</b>
				<b>Total Existing Investments</b>	<b>(0.293)</b>	<b>0.171</b>	<b>(0.094)</b>	<b>-</b>	<b>-</b>	<b>(0.216)</b>
				<b>Total New Investments</b>	<b>0.608</b>	<b>(0.215)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.393</b>
				<b>Total Savings Non-Delivery</b>	<b>0.076</b>	<b>0.001</b>	<b>0.001</b>	<b>0.001</b>	<b>0.001</b>	<b>0.080</b>
				<b>Total</b>	<b>0.391</b>	<b>(0.043)</b>	<b>(0.093)</b>	<b>0.001</b>	<b>0.001</b>	<b>0.257</b>

Appendix 6 - Budget Summary

Directorate	Expenditure										Income									Net Expenditure £m
	Employee Costs £m	Premises Related Expenditure £m	Transport Related Expenditure £m	Supplies and Services £m	Third Party Payments £m	Transfer Payments £m	Capital Charges £m	Capital Financing £m	Transfers to Reserves £m	Total Expenditure £m	Customer and Client Receipts £m	Fees and Charges £m	Rental Income £m	Government Grant Income £m	Other Grants and Reimbursements £m	Interest Income £m	Recharges to Other Accounts £m	Transfers from Reserves £m	Income total £m	
<b>Communities</b>	18.585	2.922	1.972	3.989	2.396	-	-	-	0.075	<b>29.939</b>	(1.006)	(7.325)	(1.859)	(1.972)	(4.065)	-	(0.885)	(0.708)	<b>(17.818)</b>	<b>12.120</b>
<b>Resources</b>	11.360	2.965	0.186	2.375	2.057	25.000	-	-	0.025	<b>43.969</b>	(0.033)	(4.120)	(5.952)	(25.235)	(0.346)	-	-	(0.755)	<b>(36.441)</b>	<b>7.528</b>
Services Sub-total	29.946	5.887	2.158	6.364	4.452	25.000	-	-	0.100	73.908	(1.039)	(11.445)	(7.810)	(27.207)	(4.412)	-	(0.885)	(1.463)	(54.260)	19.648
<b>Corporate Costs</b>	1.953	-	-	-	0.335	-	4.352	5.682	1.925	<b>14.246</b>	-	-	-	(5.058)	-	(5.009)	-	(0.252)	<b>(10.319)</b>	<b>3.926</b>
<b>Policy Contingency</b>	-	-	-	-	2.620	-	-	-	-	<b>2.620</b>	-	-	-	-	-	-	-	-	-	<b>2.620</b>
<b>Net Cost of Services</b>	<b>31.899</b>	<b>5.887</b>	<b>2.158</b>	<b>6.364</b>	<b>7.407</b>	<b>25.000</b>	<b>4.352</b>	<b>5.682</b>	<b>2.025</b>	<b>90.773</b>	<b>(1.039)</b>	<b>(11.445)</b>	<b>(7.810)</b>	<b>(32.265)</b>	<b>(4.412)</b>	<b>(5.009)</b>	<b>(0.885)</b>	<b>(1.715)</b>	<b>(64.579)</b>	<b>26.194</b>

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<b>Lawyer Hourly Rates / Fees</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (Excl. VAT) National 1</b>	<b>Proposed Fee 25-26 (Excl. VAT) National 1</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
Solicitors and legal executives with over 8 years qualified experience	£261.00	£278.00	£17.00	6.5%	Discretionary
Solicitors and legal executives with over 4 years qualified experience	£218.00	£233.00	£15.00	6.9%	Discretionary
Other solicitors or legal executives and fee earners of equivalent experience	£178.00	£190.00	£12.00	6.7%	Discretionary
Trainee solicitors, paralegals and other fee earners	£126.00	£134.00	£8.00	6.3%	Discretionary

# Planning

Fees and Charges	Fee 24-25 (Excl. VAT)	Proposed Fee 25-26 (Excl. VAT)	Actual Increase	% Increase	Statutory/ Discretionary?
<b>Planning Application fees</b>					
<b>1. Erection of dwellings</b>					
(1) Where the application is for outline planning permission and:					
(a) Site Area less than 0.5 hectares, £578 per 0.1ha)	£462.00	£578.00	£116.00	25.1%	Statutory
(b) Site Area between 0.5 and 2.5 hectares, £624 per 0.1 ha)	£462.00	£624.00	£162.00	35.1%	Statutory
(c) Site exceed 2.5 hectares (£15,433; and an additional £186 for each 0.1 hectare in excess of 2.5 hectares, subject to a maximum in total of £202,500) (No VAT)	£11,432.00	£15,433.00	£4,001.00	35.0%	Statutory
(1A) Where the application is for permission in principle (£503 for each 0.1 hectare of the site area) (No VAT)	£402.00	£503.00	£101.00	25.1%	Statutory
(2) In other cases (full and reserved matters; or Technical Details Consent):					
(a) Where the number of dwellinghouses to be created by the development is less than 10 (£578 for each dwellinghouse) (No VAT)	£462.00	£578.00	£116.00	25.1%	Statutory
(a) Where the number of dwellinghouses to be created by the development is 50 or fewer (£624 for each dwellinghouse) (No VAT)	£462.00	£624.00	£162.00	35.1%	Statutory
(b) Where the number of dwellinghouses exceeds 50 (£30,860 and an additional £186 for each dwellinghouse, subject to a maximum in total of £300,000) (No VAT)	£22,859.00	£30,860.00	£8,001.00	35.0%	Statutory
<b>2. The erection of buildings</b>					
(1) Where the application is for outline planning permission and:					
(a) Site area less than 1 ha, £578 per 0.1 ha	£462.00	£578.00	£116.00	25.1%	Statutory
(b) Site area between 1ha and 2.5ha	£462.00	£624.00	£162.00	35.1%	Statutory
(c) Site exceed 2.5 hectares (£15,433; and an additional £186 for each 0.1 hectare in excess of 2.5 hectares, subject to a maximum in total of £202,500) (No VAT)	£11,432.00	£15,433.00	£4,001.00	35.0%	Statutory
(1A) Where the application is for permission in principle (£402 for each 0.1 hectare of the site area) (No VAT)	£402.00	£503.00	£101.00	25.1%	Statutory
(2) In other cases:					
(a) Where no floor space is to be created by the development (No VAT)	£234.00	£293.00	£59.00	25.2%	Statutory
(b) Where the area of gross floor space to be created by the development does not exceed 40 square metres (No VAT)	£234.00	£293.00	£59.00	25.2%	Statutory
(c) where the area of the gross floor space to be created by the development exceeds 40 square metres, but does not exceed 1000 square metres, £578 for each 75sqm (No VAT)	£462.00	£578.00	£116.00	25.1%	Statutory
(d) where the area of the gross floor space to be created by the development between 1000 and 3750 square metres (for each 75 square metres of that area) (No VAT)	£462.00	£634.00	£172.00	37.2%	Statutory
(e) where the area of gross floor space to be created by the development exceeds 3750 square metres. £30,680 plus £186 for each 75 square metres in excess of 3750 square metres, subject to a maximum in total of £405,000	£22,859.00	£30,680.00	£7,821.00	34.2%	Statutory
<b>3. The erection, on land used for the purposes of agriculture, of buildings to be used for agricultural purposes.</b>					
(1) where the application is for outline planning permission and:					
Site area is less than 1 ha, for each 0.1 ha of the site	£462.00	£578.00	£116.00	25.1%	Statutory
site area is between 1 and 2,5ha, for each 0.1 ha of the site	£462.00	£624.00	£162.00	35.1%	Statutory
site area exceeds 2.5ha , £15,433 + £186 for each additional 75 sqm (or part thereof) in excess of 4,215 square metres. Maximum fee of £202,500	£11,432.00	£15,433.00	£4,001.00	35.0%	Statutory
(2) where the application is for Full planning permission and:					
(a) gross floorspace not more than 465 square metres	£96.00	£120.00	£24.00	25.0%	Statutory
(a) gross floor space more than 465sqm but not more than 540sqm	£462.00	£578.00	£116.00	25.1%	Statutory
gross floorspace more than 540 sqm but less than 1,000 sqm, £578 per 75sqm	£462.00	£578.00	£116.00	25.1%	Statutory
gross floorspace between 1000 sqm and 4215sqm, £624 per 75sqm	£462.00	£624.00	£162.00	35.1%	Statutory
gross floorspace more than 4215 sqm , £30,860 + £186 for each additional 75 sqm (or part thereof) in excess of 4,215 square metres. Maximum fee of £405,000	£11,432.00	£30,860.00	£19,428.00	169.9%	Statutory
(1A) Where the application is for permission in principle. Per each 0.1 hectare of the site area.	£402.00	£503.00	£101.00	25.1%	Statutory
(2) In other cases:					
<b>4. The erection of glasshouses on land used for the purposes of agriculture.</b>					
(1) Where the area of gross floor space to be created by the development does not exceed 465 square metres	£96.00	£120.00	£24.00	25.0%	Statutory
(2) where the area of gross floor space to be created by the development exceeds 465 sqm but less than 1000 sqm	£2,580.00	£3,225.00	£645.00	25.0%	Statutory
(2) where the area of gross floor space to be created by the development exceeds 1000sqm	£2,580.00	£3,483.00	£903.00	35.0%	Statutory
<b>5. The erection, alteration or replacement of plant or machinery.</b>					
(1) Where the site area is less than 1 ha. Per each 0.1 hectare of the site area	£462.00	£578.00	£116.00	25.1%	Statutory
(1) Where the site area is between 1 and 5 hectares. Per each 0.1 hectare of the site area	£462.00	£624.00	£162.00	35.1%	Statutory
(2) where the site area exceeds 5 hectares. £30,860 plus £186 for each 0.1 hectare in excess of 5 hectares, subject to a maximum in total of £405,000.	£22,859.00	£30,860.00	£8,001.00	35.0%	Statutory
<b>6. The enlargement, improvement or other alteration of existing dwellinghouses.</b>					
(1) Where the application relates to one dwellinghouse.	£206.00	£258.00	£52.00	25.2%	Statutory
(2) where the application relates to two or more dwellinghouses	£407.00	£509.00	£102.00	25.1%	Statutory
<b>7. The carrying out of operations (including the erection of a building) within the curtilage of an existing dwellinghouse, for purposes ancillary to the enjoyment of the dwellinghouse as such, or the erection or construction of gates, fences, walls or other means of enclosure along a boundary of the curtilage of an existing dwellinghouse.</b>					
(1) Where the application relates to one dwellinghouse.	£206.00	£258.00	£52.00	25.2%	Statutory
<b>8. The construction of car parks, service roads and other means of access on land used for the purposes of a single undertaking, where the development is required for a purpose incidental to the existing use of the land.</b>					
(1) Where the application relates to one dwellinghouse.	£234.00	£293.00	£59.00	25.2%	Statutory

<b>9. The carrying out of any operations connected with exploratory drilling for oil or natural gas.</b>					
(1) Where the site area does not exceed 7.5 hectares, £686 for each 0.1 hectare of the site area;	£508.00	£686.00	£178.00	35.0%	Statutory
(2) where the site area exceeds 7.5 hectares. £51,395 plus £204 for each 0.1 hectare in excess of 7.5 hectares, subject to a maximum in total of £405,000	£38,070.00	£51,395.00	£13,325.00	35.0%	Statutory
<b>9A. The carrying out of any operations for the winning and working of oil or natural gas.</b>					
Where the site area:					
(a) Less than 15 hectares. Per each 0.1 hectare of the site area	£257.00	£347.00	£90.00	35.0%	Statutory
(b) exceeds 15 hectares. £52002 plus £186 for each 0.1 hectare in excess of 15 hectares, subject to a maximum in total of £105,300.	£38,520.00	£52,002.00	£13,482.00	35.0%	Statutory
<b>10. The carrying out of any operations not coming within any of the above categories.</b>					
(1) In the case of operations for the winning and working of minerals (excluding oil and natural gas)					
(a) where the site area does not exceed 15 hectares. Per each 0.1 hectare of the site area	£234.00	£316.00	£82.00	35.0%	Statutory
(b) where the site area exceeds 15 hectares. £47,161 plus £204 for each 0.1 hectare in excess of 15 hectares, subject to a maximum in total of £105,300	£34,934.00	£47,161.00	£12,227.00	35.0%	Statutory
(2) in any other case. Per each 0.1 hectare of the site area, subject to a maximum in total of £2,028	£234.00	£293.00	£59.00	25.2%	Statutory
<b>11. The change of use of a building to use as one or more separate dwellinghouses.</b>					
(1) Where the change of use is from a previous use as a single dwellinghouse to use as two or more single dwellinghouses:					
(a) where the change of use is fewer than 10 dwellinghouses, for each additional dwellinghouse	£462.00	£578.00	£116.00	25.1%	Statutory
(a) where the change of use is between 10 and 50 dwellinghouses, for each additional dwellinghouse	£462.00	£624.00	£162.00	35.1%	Statutory
(b) where the change of use is to use as more than 50 dwellinghouses. £30,860 plus £186 for each dwellinghouse in excess of 50 dwellinghouses, subject to a maximum in total of £405,000	£22,859.00	£30,860.00	£8,001.00	35.0%	Statutory
<b>12. The use of land for:</b>					
<b>(a) the disposal of refuse or waste materials;</b>					
<b>(b) the deposit of material remaining after minerals have been extracted from land; or</b>					
<b>(c) the storage of minerals in the open.</b>					
(1) Where the site area does not exceed 15 hectares, for each 0.1 hectare of the site area	£234.00	£316.00	£82.00	35.0%	Statutory
(2) where the site area exceeds 15 hectares, £47,161 plus £186 for each 0.1 hectare in excess of 15 hectares, subject to a maximum in total of £105,300	£34,934.00	£47,161.00	£12,227.00	35.0%	Statutory
<b>13. The making of a material change in the use of a building or land</b>	£462.00	£578.00	£116.00	25.1%	Statutory
<b>Fees for Advertisements</b>					
1. Advertisements displayed externally on business premises, the forecourt of business premises or other land within the curtilage of business premises, wholly with reference to all or any of the following matters:					
(a) the nature of the business or other activity carried on on the premises;	£132.00	£165.00	£33.00	25.0%	Statutory
(b) the goods sold or the services provided on the premises; or					
(c) the name and qualifications of the person carrying on such business or activity or supplying such goods or services.					
2. Advertisements for the purpose of directing members of the public to, or otherwise drawing attention to the existence of, business premises which are in the same locality as the site on which the advertisement is to be displayed but which are not visible from that site.					
	£132.00	£165.00	£33.00	25.0%	Statutory
3. All other advertisements.					
	£462.00	£578.00	£116.00	25.1%	Statutory
<b>Lawful Development Certificate</b>					
Application for a certificate to establish the lawfulness of an existing land-use, or of development already carried out. Same as Planning Application fee for that use or operation.	same as full	same as full	same as full	same as full	Statutory
Application for a certificate to establish that it was lawful not to comply with a particular condition or other limitation imposed on a planning permission.	£234.00	£293.00	£59.00	25.2%	Statutory
Application for a certificate to state that a proposed use would be lawful. Half as Planning Application fee for that use or operation.	half the normal planning fee	half the normal planning fee	half the normal planning fee	half the normal planning fee	Statutory
<b>Prior Approval</b>					
Larger Home Extensions	£96.00	£120.00	£24.00	25.0%	Statutory
Additional storeys on a home	£96.00	£120.00	£24.00	25.0%	Statutory
Agricultural and Forestry buildings & operations	£96.00	£120.00	£24.00	25.0%	Statutory
Demolition of buildings	£96.00	£120.00	£24.00	25.0%	Statutory
Communications	£462.00	£578.00	£116.00	25.1%	Statutory
Changes of use	£96.00	£120.00	£24.00	25.0%	Statutory
Change of Use of a building and any land. £258 if it includes building operations in connection with the change of use	£96.00	£120.00	£24.00	25.0%	Statutory
Other prior approvals	£96.00	£120.00	£24.00	25.0%	Statutory
<b>Reserved Matters</b>					
Application for approval of reserved matters following outline approval. Full fee due, but if full fee already paid £578m.	£462.00	£578.00	£116.00	25.1%	Statutory
<b>Approval/Variation/Discharge of Condition</b>					
Application for removal or variation of a condition following grant of planning permission	£234.00	£293.00	£59.00	25.2%	Statutory
Request to discharge one or more planning conditions (Householder)	£34.00	£43.00	£9.00	26.5%	Statutory
Request to discharge one or more planning conditions (Non Householder)	£116.00	£145.00	£29.00	25.0%	Statutory
Application for a non-material amendment following a grant of planning permission					
(a) Applications in respect of householder developments	£34.00	£43.00	£9.00	26.5%	Statutory
(b) Applications in respect of other developments	£234.00	£293.00	£59.00	25.2%	Statutory

<b>Pre-Application Charges</b>					
The Council has reviewed its pre-application offer to ensure that we continue to offer a suitable avenue for prospective applicants to obtain feedback on their proposals before making a formal application, at a fee that reflects the impact it has on our resources. The variation of the fee structure outlined below will ensure that proportionate fees will be charged so that this service is appropriately funded.					
<b>Category A (Householder)</b>					
Written Advice only (Desktop Assessment)	£153.00	£156.06	£3.06	2.0%	Discretionary
<b>Category B (1-9 Dwellings)</b>					
Meeting and Written Advice - 1 Dwelling	£382.50	£390.15	£7.65	2.0%	Discretionary
Meeting and Written Advice - Per each additional dwelling	£75.00	£76.50	£1.50	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel)	£200.00	£204.00	£4.00	2.0%	Discretionary
Follow-up Written Clarification	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category C (10-99 dwellings)</b>					
Meeting and Written Advice - 10 dwellings	£1,000.00	£1,020.00	£20.00	2.0%	Discretionary
Meeting and Written Advice - Per additional dwelling	£30.00	£30.60	£0.60	2.0%	Discretionary
Meeting and Written Advice - Maximum	£4,500.00	£4,590.00	£90.00	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel)	£200.00	£204.00	£4.00	2.0%	Discretionary
Follow-up Written Clarification	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category D (250+ Dwellings)</b>					
Minimum Charge	£5,000.00	£5,100.00	£100.00	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Planning Officer	£85.00	£86.70	£1.70	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Senior Planning Officer	£100.00	£102.00	£2.00	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Principal Planning Officer	£120.00	£122.40	£2.40	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Team Leader	£135.00	£137.70	£2.70	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Senior Manager	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category E (Hotels, HMOs, Communal housing of elderly &amp; disabled)</b>					
Meeting and Written Advice - Per 100 sqm of building/0.1 hectare of site area (whichever fee is the higher)	£120.00	£122.40	£2.40	2.0%	Discretionary
Meeting and Written Advice Per 100 sqm of building/0.1 hectare of site area (whichever fee is the higher) - Minimum	£360.00	£367.20	£7.20	2.0%	Discretionary
Meeting and Written Advice Per 100 sqm of building/0.1 hectare of site area (whichever fee is the higher) - Maximum	£4,500.00	£4,590.00	£90.00	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel), excludes written response	£200.00	£204.00	£4.00	2.0%	Discretionary
Follow-up Written Clarification	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category F (Listed building and Conservation Area advice)</b>					
Bespoke charge agreed in advance based on agreed assumptions on hourly rate for officer(s)					
Officer hourly rate - Conservation Officer	£78.65	£80.22	£1.57	2.0%	Discretionary
Officer hourly rate - Senior Conservation Officer	£102.85	£104.91	£2.06	2.0%	Discretionary
Officer hourly rate - Manager	£151.25	£154.28	£3.03	2.0%	Discretionary
Site Visit (Set charge in addition to hourly rate)	£80.00	£81.60	£1.60	2.0%	Discretionary
<b>Category G - Shopfronts</b>					
Written Advice only (Desktop Assessment)	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category H - Advertisements</b>					
Written Advice only (Desktop Assessment)	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category I (Telecommunications)</b>					
Written Advice only (Desktop Assessment)	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category J (Agricultural, forestry &amp; glasshouse devt – less than 465 sqm)</b>					
Written Advice only (Desktop Assessment)	£150.00	£153.00	£3.00	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel), excludes written response	£200.00	£204.00	£4.00	2.0%	Discretionary
<b>Category K (Agricultural, forestry &amp; glasshouse devt – more than 465 sqm)</b>					
Meeting and Written Advice - Up to 540 sqm	£200.00	£204.00	£4.00	2.0%	Discretionary
Meeting and Written Advice - Per each additional 75 sqm (or part thereof)	£120.00	£122.40	£2.40	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel), excludes written response	£200.00	£204.00	£4.00	2.0%	Discretionary
Follow-up Written Clarification	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category L (Change of use of land to equestrian)</b>					
Written Advice only (Desktop Assessment)	£150.00	£153.00	£3.00	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel), excludes written response	£200.00	£204.00	£4.00	2.0%	Discretionary
Meeting - Bespoke charge based on agreed assumptions on hourly rate for officer(s)	£0.00	£0.00	£0.00	0.0%	Discretionary
Officer hourly rate - Planning Officer	£85.00	£86.70	£1.70	2.0%	Discretionary
Officer hourly rate - Senior Planning Officer	£100.00	£102.00	£2.00	2.0%	Discretionary
Officer hourly rate - Principal Planning Officer	£120.00	£122.40	£2.40	2.0%	Discretionary
Officer hourly rate - Team Leader	£135.00	£137.70	£2.70	2.0%	Discretionary
Officer hourly rate - Senior Manager	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category M (Anemometer masts or single wind turbines of less than 100 m in height)</b>					
Meeting and Written Advice	£600.00	£612.00	£12.00	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel), excludes written response	£200.00	£204.00	£4.00	2.0%	Discretionary
Follow-up Written Clarification	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category N (Wind and solar farm developments)</b>					
Minimum charge	£4,000.00	£4,080.00	£80.00	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Planning Officer	£93.50	£95.37	£1.87	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Senior Planning Officer	£110.00	£112.20	£2.20	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Principal Planning Officer	£132.00	£134.64	£2.64	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Team Leader	£148.50	£151.47	£2.97	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Senior Manager	£165.00	£168.30	£3.30	2.0%	Discretionary
<b>Category O (Other developments inc change of use: floorspace less than 200 sqm and the site area is less than 0.1 hectares)</b>					
Meeting and Written Advice	£200.00	£204.00	£4.00	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel), excluding written response	£200.00	£204.00	£4.00	2.0%	Discretionary
Follow-up Written Clarification	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category P (Other developments inc change of use: floorspace less than 1000 sqm and the site area is less than 0.5 hectares)</b>					
Meeting and Written Advice	£350.00	£357.00	£7.00	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel), excluding written response	£200.00	£204.00	£4.00	2.0%	Discretionary
Follow-up Written Clarification	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category Q (Other developments inc change of use: floorspace less than 5000 sqm and the site area is less than 1 hectare)</b>					
Meeting and Written Advice	£1,500.00	£1,530.00	£30.00	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel), excluding written response	£200.00	£204.00	£4.00	2.0%	Discretionary
Follow-up Written Clarification	£150.00	£153.00	£3.00	2.0%	Discretionary
<b>Category R (Other developments inc change of use: floorspace less than 10000 sqm and the site area is less than 2 hectares)</b>					
Meeting and Written Advice	£2,750.00	£2,805.00	£55.00	2.0%	Discretionary
Site Visit (Set charge for 1 officer for 2 hours inc travel), excluding written response	£200.00	£204.00	£4.00	2.0%	Discretionary
Follow-up Written Clarification	£150.00	£153.00	£3.00	2.0%	Discretionary

<b>Category S (Other developments inc change of use: floorspace more than 10000 sqm and the site area is more than 2 hectares)</b>					
Meeting and Written Advice	£4,000.00	£4,080.00	£80.00	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Planning Officer	£93.50	£95.37	£1.87	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Senior Planning Officer	£110.00	£112.20	£2.20	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Principal Planning Officer	£132.00	£134.64	£2.64	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Team Leader	£148.50	£151.47	£2.97	2.0%	Discretionary
Officer hourly rate after first 30 hours (collective input of all officers) - Senior Manager	£165.00	£168.30	£3.30	2.0%	Discretionary
<b>Category T (Written requests for information)</b>					
Bespoke charge based on levels of officer input with minimum of £300 (ex VAT)	£300.00	£306.00	£6.00	2.0%	Discretionary
Officer hourly rate - Officer	£65.00	£66.30	£1.30	2.0%	Discretionary
Officer hourly rate - Senior Officer	£85.00	£86.70	£1.70	2.0%	Discretionary
Officer hourly rate - Principal Officer	£100.00	£102.00	£2.00	2.0%	Discretionary
<b>Category U (Parish/Town Council developments and other exemptions)</b>					
Fee	£0.00	£0.00	£0.00	0	Discretionary
<b>Planning Performance Agreements</b>					
Setting up PPA (Administration charge)	£550.00	£561.00	£11.00	2.0%	Discretionary
Meetings (assumptions on hourly rate of officer preparation, attendance and follow-up) plus set,	£66.00	£67.32	£1.32	2.0%	Discretionary
Officer hourly rate - Planning Officer	£93.50	£95.37	£1.87	2.0%	Discretionary
Officer hourly rate - Senior Planning Officer	£110.00	£112.20	£2.20	2.0%	Discretionary
Officer hourly rate - Principal Planning Officer	£132.00	£134.64	£2.64	2.0%	Discretionary
Officer hourly rate - Team Leader	£148.50	£151.47	£2.97	2.0%	Discretionary
Officer hourly rate - Senior Manager	£165.00	£168.30	£3.30	2.0%	Discretionary
Officer hourly rate - Assistant Director	£209.00	£213.18	£4.18	2.0%	Discretionary
<b>Development Monitoring</b>					
Registration charge for S106 agreements (per agreement)	£550.00	£561.00	£11.00	2.0%	Discretionary
S73 Variations, linking agreements and modifications - Bespoke charge	£0.00	£0.00	£0.00	0.0%	Discretionary
Less than 10 dwellings and/or 1,000sqm of floorspace) - Bespoke charge based on number of obligations and triggers with minimum of £500 (exc VAT)	£550.00	£561.00	£11.00	2.0%	Discretionary
10 - 100 dwellings and/or 1,000 - 10,000sqm of floorspace) - Bespoke charge based on number of obligations and triggers with minimum of £1,000 (exc VAT)	£1,100.00	£1,122.00	£22.00	2.0%	Discretionary
100 - 250 dwellings units and/or 10,000 - 75,000sqm of floorspace - Bespoke charge based on number of obligations and triggers with minimum of £5,000 (exc VAT)	£5,500.00	£5,610.00	£110.00	2.0%	Discretionary
251+ dwellings units and/or 75,001sqm+ of floorspace - Bespoke charge based on number of obligations and triggers with minimum of £10,000 (exc VAT)	£11,000.00	£11,220.00	£220.00	2.0%	Discretionary
Desktop records check and guidance on compliance issued via email (per request)	£220.00	£224.40	£4.40	2.0%	Discretionary
Fee for remedial inspections for on-site provisions (Monitoring officer only)	£220.00	£224.40	£4.40	2.0%	Discretionary
<b>High Hedges</b>					
Application fee for High hedges complaint	£435.60	£444.31	£8.71	2.0%	Discretionary
<b>Planning Enforcement</b>					
Confirmation of closure of enforcement case where it was found not expedient to take action (available for a 12-month period following closure of the case)	£93.50	£95.37	£1.87	2.0%	Discretionary
Confirmation that an Enforcement Notice had been complied with	£220.00	£224.40	£4.40	2.0%	Discretionary
Request to withdraw enforcement notice	£220.00	£224.40	£4.40	2.0%	Discretionary
<b>Supplementary Fees</b>					
Administration charges for invalid submissions not made valid.					
Householder, Minor and Other applications with no planning officer input	£44.00	£44.88	£0.88	2.0%	Discretionary
Major Applications and applications where officer input required	£99.00	£100.98	£1.98	2.0%	Discretionary

<b>Building control</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (Excl. VAT)</b>	<b>Proposed Fee 25-26 (Excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>New Dwellings</b>					
1 Dwelling	£925.00	£1,000.00	£75.00	8.1%	Discretionary
2 Dwellings	£1,225.00	£1,350.00	£125.00	10.2%	Discretionary
3 Dwellings	£1,550.00	£1,700.00	£150.00	9.7%	Discretionary
4 Dwellings	£1,725.00	£1,900.00	£175.00	10.1%	Discretionary
5 Dwellings	£1,950.00	£2,150.00	£200.00	10.3%	Discretionary
<b>Other New Builds</b>					
New Garage <40m2	£375.00	£400.00	£25.00	6.7%	Discretionary
New Garage 40m2 - 60m2	£475.00	£525.00	£50.00	10.5%	Discretionary
<b>Extensions</b>					
Extn<10m2	£375.00	£500.00	£125.00	33.3%	Discretionary
Extn 10m2-40m2	£643.50	£750.00	£106.50	16.6%	Discretionary
Extn 40m2-80m2	£764.50	£850.00	£85.50	11.2%	Discretionary
<b>Conversions</b>					
Garage Conversion	£375.00	£400.00	£25.00	6.7%	Discretionary
Loft conversion <80m2	£625.00	£700.00	£75.00	12.0%	Discretionary
Loft Conversion 80m2-100m2	£675.00	£750.00	£75.00	11.1%	Discretionary
<b>Miscellaneous Works</b>					
Underpinning	£425.00	£467.50	£42.50	10.0%	Discretionary
Up to 6 doors/windows	£160.00	£180.00	£20.00	12.5%	Discretionary
Each additional door/window	£30.00	£36.00	£6.00	20.0%	Discretionary
Heating Appliance	£625.00	Quotation on request			Discretionary
Electrical Appliance	£625.00	Quotation on request			Discretionary
Thermal upgrade	£250.00	£300.00	£50.00	20.0%	Discretionary
Up tp 6 Solar Panels	£625.00	£700.00	£75.00	12.0%	Discretionary
<b>Based on Construction Value</b>					
£0-£5K	£0.00	Quotation on request			Discretionary
£5K-£10K	£375.00	£400.00	£25.00	6.7%	Discretionary
£10K-£40K	£600.00	£650.00	£50.00	8.3%	Discretionary
£40K-£100K	£900.00	£1,000.00	£100.00	11.1%	Discretionary
Building notice supplement	10%	10%	£0.00	0.0%	Discretionary
<b>Supplementary Fees</b>					
Additional Visits per hour	£75.00	£80.00	£5.00	6.7%	Discretionary
Copies of Certificates	£45.00	£50.00	£5.00	11.1%	Discretionary
Reopening applications after less than 3 years	£60.00	£60.00	£0.00	0.0%	Discretionary
Reopening applications after more than 3 years	£120.00	£120.00	£0.00	0.0%	Discretionary

<b>Housing Standards</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (Excl. VAT)</b>	<b>Proposed Fee 25-26 (Excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
HMO Licence category A - Higher rate new application (where the HMO has been unlicensed for 6 weeks or more)	£1,260.60	£1,285.00	£24.40	1.9%	Discretionary
HMO Licence category B - Standard new application (where the HMO was acquired or became licensable within 6 weeks, or change of existing licence holder)	£781.00	£800.00	£19.00	2.4%	Discretionary
HMO Licence category C - Higher rate renewal (where we have concerns about the HMO management or conditions)	£781.00	£800.00	£19.00	2.4%	Discretionary
HMO Licence category D - Standard rate renewal (valid application made and paid on time with no compliance issues)	£540.10	£550.00	£9.90	1.8%	Discretionary
Landlord advice visits (per visit)	£176.00	£180.00	£4.00	2.3%	Discretionary
Desktop review of plans etc.	£121.00	£125.00	£4.00	3.3%	Discretionary
Copy of HMRO Register	£48.40	£50.00	£1.60	3.3%	Discretionary
Empty Homes VAT-exemption letter	£48.40	£50.00	£1.60	3.3%	Discretionary
Housing Act 2004 - serving an Improvement Notice	£528.00	£540.00	£12.00	2.3%	Discretionary
Housing Act 2004 - making a Prohibition Order	£528.00	£540.00	£12.00	2.3%	Discretionary
Housing Act 2004 - taking emergency remedial action	£528.00	£540.00	£12.00	2.3%	Discretionary
Housing Act 2004 - Making an emergency prohibition order	£528.00	£540.00	£12.00	2.3%	Discretionary
Housing Act 2004 - Reviewing suspended improvement notice or prohibition order	£264.00	£270.00	£6.00	2.3%	Discretionary
<b>Housing Allocations</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (Excl. VAT)</b>	<b>Proposed Fee 25-26 (Excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
Fee charged to Registered Providers for advertising available lettings	£85.83	£87.55	£1.72	2.0%	Discretionary

## Appendix 4 - Fees and Charges Schedule

<b>Land Drainage</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (Excl. VAT)</b>	<b>Proposed Fee 25-26 (Excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
Consent Application fee	£50.00	£50.00	£0.00	0.0%	Statutory

<b>Street Naming and Numbering</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (Excl. VAT)</b>	<b>Proposed Fee 25-26 (Excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
Assigning official address's to properties	£40.00	£50.00	£10.00	25.0%	Discretionary



<b>Environmental Services</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (excl. VAT)</b>	<b>Proposed Fee 25-26 (excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>SPECIAL COLLECTIONS</b>					
Special Collections - Clearout (Garden waste or waste package)	£84.99	£86.99	£2.00	2.4%	Discretionary
Special Collections - Clearout (Garden waste or waste package)	£140.00	£143.00	£3.00	2.1%	Discretionary
Special Collections - Any (3 Items Collected)	£29.99	£33.99	£4.00	13.3%	Discretionary
New: Special Collection - 1 item	£10.99	£12.99	£2.00	18.2%	Discretionary
New: Special Collection - 1 large item	£16.99	£19.99	£3.00	17.7%	Discretionary
Premium Collection (Within 72 hours of booking) - Any (3 Items Collected)	£74.99	£74.99	£0.00	0.0%	Discretionary
Special Collections - Any (3 Items Collected) During Blitz Weeks	£20.00	£22.00	£2.00	10.0%	Discretionary
<b>BINS AND WASTE SACKS</b>					
Blue Wheeled Bins	£40.00	£41.00	£1.00	2.5%	Discretionary
240L Additional Green Bin - Annual Charge	£132.00	£135.00	£3.00	2.3%	Discretionary
Bundles of 25 Trade Waste Sacks	£68.50	£71.00	£2.50	3.6%	Both Statutory and Discretionary elements
Bundles of 25 Trade Recycling Sacks	£49.50	£51.00	£1.50	3.0%	Both Statutory and Discretionary elements
<b>COMMERCIAL REFUSE COLLECTION - PER LIFT</b>					
240 litre bin	£8.25	£8.50	£0.25	3.0%	Both Statutory and Discretionary elements
360 litre bin	£10.50	£10.80	£0.30	2.9%	Both Statutory and Discretionary elements
660 litre bin	£15.00	£15.50	£0.50	3.3%	Both Statutory and Discretionary elements
1100 litre bin	£19.50	£19.50	£0.00	0.0%	Both Statutory and Discretionary elements
<b>COMMERCIAL RECYCLING COLLECTION - PER LIFT</b>					
240 litre bin	£5.25	£5.50	£0.25	4.8%	Both Statutory and Discretionary elements
360 litre bin	£7.00	£7.30	£0.30	4.3%	Both Statutory and Discretionary elements
660 litre bin	£9.75	£10.00	£0.25	2.6%	Both Statutory and Discretionary elements
1100 litre bin	£12.50	£12.50	£0.00	0.0%	Both Statutory and Discretionary elements
<b>COMMERCIAL GLASS RECYCLING COLLECTION - PER LIFT</b>					
240 litre bin	£6.00	£6.25	£0.25	4.2%	Both Statutory and Discretionary elements
360 litre bin	£7.50	£7.75	£0.25	3.3%	Both Statutory and Discretionary elements
<i>* Discount of 10% for &gt;5 bins, 20% for &gt;10 bins</i>					
<b>COMMERCIAL FOOD RECYCLING - PER LIFT</b>					
140 litre bin	£5.00	£5.50	£0.50	10.0%	Both Statutory and Discretionary elements

<b>Environmental Services</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (excl. VAT)</b>	<b>Proposed Fee 25-26 (excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>Schedule II Collections - Schools</b>					
240L Wheeled Bin Package	£190.00	£195.00	£5.00	2.6%	Both Statutory and Discretionary elements
360L Wheeled Bin Package	£260.00	£270.00	£10.00	3.8%	Both Statutory and Discretionary elements
660L Wheeled Bin Package	£390.00	£400.00	£10.00	2.6%	Both Statutory and Discretionary elements
1100L Wheeled Bin Package	£507.00	£515.00	£8.00	1.6%	Both Statutory and Discretionary elements
<b>Trade Glass Collection (1 bell)</b>					
Trade Glass Collection (1 bell)	£137.50	£139.00	£1.50	1.1%	Discretionary
<b>Garden Waste Charges - 240L Brown Wheeled Bin</b>					
Garden Waste Subscription Charges	£49.00	£52.00	£3.00	6.1%	Both Statutory and Discretionary elements
Bundles of 25 Biodegradable Garden Waste Sacks	£49.50	£53.00	£3.50	7.1%	Discretionary
Roll of 52 Compostable Liners	£4.95	£5.10	£0.15	3.0%	Discretionary
<b>Dog bin emptying charge</b>					
For parishes with more than 20 bins	£1.85	£1.90	£0.05	2.7%	Discretionary
For parishes with more than 5 bins	£2.00	£2.05	£0.05	2.5%	Discretionary
For parishes with less than 5 bins	£2.15	£2.20	£0.06	2.6%	Discretionary
<b>MOT's</b>					
Class IV for Trade, Staff and Account Customers	£47.00	£47.00	£0.00	0.0%	Discretionary
Class IV for General Public	£52.00	£52.00	£0.00	0.0%	Discretionary
Class V for Trade, Staff and Account Customers	£52.00	£52.00	£0.00	0.0%	Discretionary
Class V for General Public	£57.00	£57.00	£0.00	0.0%	Discretionary
Class VII for Trade, Staff and Account Customers	£52.00	£52.00	£0.00	0.0%	Discretionary
Class VII for General Public	£57.00	£57.00	£0.00	0.0%	Discretionary
<b>Other</b>					
Hourly Rate - Workshop (External)	£65.00	£65.00	£0.00	0.0%	Discretionary
Use of Washdown facility at Thorpe Lane Depot	£60.00	£60.00	£0.00	0.0%	Discretionary
Use of Public Conveniences - Bicester	£0.20	£0.20	£0.00	0.0%	Discretionary
Use of Public Conveniences - Banbury and Kidlington	£0.20	£0.20	£0.00	0.0%	Discretionary
Pitch Fees 'Casual'	£35.20	£35.20	£0.00	0.0%	Discretionary
Pitch Fees 'Regular'	£28.99	£27.00	£-1.99	-6.8%	Discretionary
Pitch Fees 'Charity/Community'	£17.05	£16.00	£-1.05	-6.2%	Discretionary
Highway Closures	£102.30	£110.00	£7.70	7.5%	Discretionary

<b>Car Parking</b>					
Fees and Charges	Fee 24-25 (excl. VAT)	Proposed Fee 25-26 (excl. VAT)	Actual Increase	% Increase	Statutory/ Discretionary?
<b>y Short Stay (Charges apply 8am-6pm. Free Parking after 6pm)</b>					
<b>Market Place Monday To Saturday</b>					
0 -30 minutes	£1.30	£1.40	£0.10	8.30%	Discretionary
0 - 1 hour	£1.90	£2.10	£0.20	11.80%	Discretionary
<b>Market Place Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Horsefair West Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 hours	£3.30	£3.60	£0.30	10.00%	Discretionary
<b>Horsefair West Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Calthorpe Street West (part) Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
<b>Calthorpe Street West (part) Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Calthorpe Street East Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
<b>Calthorpe Street East Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>South Bar East (part) up to Calthorpe Street Monday To</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
<b>South Bar East (part) up to Calthorpe Street Sunday and Bank</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>North Bar East Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
<b>North Bar East Sunday and Bank Holidays</b>					
	<b>North Bar East Sunday and Bank Holidays</b>	<b>North Bar East Sunday and Bank Holidays</b>	<b>North Bar East Sunday and Bank Holidays</b>	<b>North Bar East Sunday and Bank Holidays</b>	<b>North Bar East Sunday and Bank Holidays</b>
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>The Mill Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary

<b>Car Parking</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (excl. VAT)</b>	<b>Proposed Fee 25-26 (excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>The Mill Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Chamberlaine Court Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
<b>Chamberlaine Court Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Bridge Street (Blue Badge Holders Only)</b>					
Monday To Saturday	£0.00	£0.00	£0.00	0.00%	Discretionary
Sunday and Bank Holidays	£0.00	£0.00	£0.00	0.00%	Discretionary
Free of charge up to maximum stay permitted		£0.00			
<b>Banbury Long Stay (charges apply 8am-6pm. Free</b>					
<b>Riverside Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
3 - 4 Hours	£4.20	£4.60	£0.40	10.50%	Discretionary
Day rate up to 6pm	£6.00	£6.50	£0.50	9.10%	Discretionary
<b>Riverside Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>South Bar East and West Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
3 - 4 Hours	£4.20	£4.60	£0.40	10.50%	Discretionary
Day rate up to 6pm	£6.00	£6.50	£0.50	9.10%	Discretionary
<b>South Bar East and West Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>North Bar West Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
3 - 4 Hours	£4.20	£4.60	£0.40	10.50%	Discretionary
Day rate up to 6pm	£6.00	£6.50	£0.50	9.10%	Discretionary
<b>North Bar West Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Calthorpe Street West Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
3 - 4 Hours	£4.20	£4.60	£0.40	10.50%	Discretionary
Day rate up to 6pm	£6.00	£6.50	£0.50	9.10%	Discretionary

<b>Car Parking</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (excl. VAT)</b>	<b>Proposed Fee 25-26 (excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>Calthorpe Street West Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Windsor Street Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
3 - 4 Hours	£4.20	£4.60	£0.40	10.50%	Discretionary
Day rate up to 6pm	£6.00	£6.50	£0.50	9.10%	Discretionary
<b>Windsor Street Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Bolton Road Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
3 - 4 Hours	£4.20	£4.60	£0.40	10.50%	Discretionary
Day rate up to 6pm	£6.00	£6.50	£0.50	9.10%	Discretionary
<b>Bolton Road Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
£0.00					
<b>Cherwell Drive Monday to Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
3 - 4 Hours	£4.20	£4.60	£0.40	10.50%	Discretionary
Day rate up to 6pm	£6.00	£6.50	£0.50	9.10%	Discretionary
£0.00					
<b>Cherwell Drive Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Compton Road Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
3 - 4 Hours	£4.20	£4.60	£0.40	10.50%	Discretionary
Day rate up to 6pm	£6.00	£6.50	£0.50	9.10%	Discretionary
<b>Compton Road Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Drop Off - Pick Up Points</b>					
Bridge Street (all week)					
0 - 15 minutes	£0.50	£0.50	£0.00	0.00%	Discretionary
Horsefair East - Coaches Drop Off/Pick Up - no charge	£0.00	£0.00	£0.00	0.00%	Discretionary
<b>Permits Banbury &amp; Bicester</b>					
-					
<b>5 Day Permit Valid Monday - Friday</b>					
Annual	850.00	938.00	88.00	10.40%	Discretionary
Quarterly	230.00	252.00	22.00	9.50%	Discretionary
Monthly	90.00	101.00	11.00	12.50%	Discretionary
<b>7 Day Permit Valid Monday - Sunday</b>					
Annual	£1,100.00	£1,200.00	£100.00	9.10%	Discretionary
Quarterly	£300.00	£330.00	£30.00	10.00%	Discretionary
Monthly	£110.00	£120.00	£10.00	9.10%	Discretionary

<b>Car Parking</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (excl. VAT)</b>	<b>Proposed Fee 25-26 (excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>Bicester Short Stay (Charges apply 8am-7pm. Free</b>					
<b>Market Square Monday To Saturday</b>					
0 - 30 Minutes	£1.30	£1.40	£0.10	8.30%	Discretionary
0 - 1 Hour	£1.90	£2.10	£0.20	11.80%	Discretionary
<b>Market Square Sunday and Bank Holidays</b>					
0 - 1 Hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Claremont Monday To Saturday</b>					
		£0.00			
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
<b>Claremont Sunday and Bank Holidays</b>					
		£0.00			
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Chapel Brook Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
<b>Chapel Brook Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Victoria Road Monday To Saturday</b>					
		£0.00			
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
<b>Victoria Road Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Bicester Long Stay</b>					
<b>Cattle Market Monday To Saturday</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
1 - 2 Hours	£2.40	£2.60	£0.20	9.10%	Discretionary
2 - 3 Hours	£3.30	£3.60	£0.30	10.00%	Discretionary
3 - 4 Hours	£4.20	£4.60	£0.40	10.50%	Discretionary
Day rate up to 6pm	£6.00	£6.50	£0.50	9.10%	Discretionary
<b>Cattle Market Sunday and Bank Holidays</b>					
0 - 1 hour	£1.30	£1.40	£0.10	8.30%	Discretionary
Over 1 hour flat rate	£1.80	£2.00	£0.20	12.50%	Discretionary
<b>Kidlington</b>					
Curtis Place (all week) - no charge	£0.00	£0.00	£0.00	0.00%	Discretionary

<b>Land Charges</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (Excl. VAT)</b>	<b>Proposed Fee 25-26 (Excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
Full Search Fee (LLC1 & CON29R)	£215.00	£222.00	£7.00	3.3%	Both Statutory and Discretionary elements as combination of LLC1 and CON29
Additional parcel CON29	£25.00	£26.00	£1.00	4.0%	Discretionary
Additional parcel LLC1	£2.00	£2.00	£0.00	0.0%	Statutory
Additional parcel Q22	£1.33	£0.00	<b>-£1.33</b>	-100.0%	Discretionary - Fee set by OCC
LLC1 Only (Register search )	£50.00	£52.00	£2.00	4.0%	Statutory
CON 29R only (no LLC1)	£165.00	£170.00	£5.00	3.0%	Discretionary
CON29O (Optional enquiries Question 4-21)	£18.00	£20.00	£2.00	11.1%	Discretionary
CON29O (Question 22) Administration Charge	£10.00	£10.00	£0.00	0.0%	Discretionary
CON29O Question 22	£44.17	£45.50	£1.33	3.0%	Discretionary - Fee set by OCC
PART 3 Own worded enquiries	£30.00	£30.00	£0.00	0.0%	Discretionary

<b>Electoral Services - Electoral Register - Statutory Charges*</b>					
Fees and Charges	Fee 24-25 (excl. VAT)	Proposed Fee 25-26 (Excl. VAT)	Actual Increase	% Increase	Statutory/ Discretionary?
Electoral Register Data format - per transaction	£20.00	£20.00	£0.00	0.00%	Statutory
Electoral Register Data format - per 1000 names or part thereof	£1.50	£1.50	£0.00	0.00%	Statutory
Electoral Register Print format - per transaction	£10.00	£10.00	£0.00	0.00%	Statutory
Electoral Register Print format - per 1000 names or part thereof	£5.00	£5.00	£0.00	0.00%	Statutory
Electoral Register - Marked copies of Register and Absent Lists - Data format - per transaction	£10.00	£10.00	£0.00	0.00%	Statutory
Electoral Register - Marked copies of Register and Absent Lists - Data format - per 1000 names or part thereof	£1.00	£1.00	£0.00	0.00%	Statutory
Electoral Register - Marked copies of Register and Absent Lists - Print format - per transaction	£10.00	£10.00	£0.00	0.00%	Statutory
Electoral Register - Marked copies of Register and Absent Lists - Print format - per 1000 names or part thereof	£2.00	£2.00	£0.00	0.00%	Statutory
Electoral Register - Overseas elections - Data format - per transaction	£20.00	£20.00	£0.00	0.00%	Statutory
Electoral Register - Overseas elections - Data format - per 100 names or part thereof	£1.50	£1.50	£0.00	0.00%	Statutory
Electoral Register - Overseas elections - Print format - per transaction	£5.00	£10.00	£5.00	100.00%	Statutory
Electoral Register - Overseas elections - Print format - per 100 names or part thereof	£5.00	£5.00	£0.00	0.00%	Statutory

\*Prescribed fees as set out in the Representation of the People (England and Wales) Regulations 2001

<b>Returning Officer (RO)* - Local Elections (scheduled &amp; unscheduled)**</b>					
Fees and Charges	Current fee	Proposed Fee 25-26 (Excl. VAT)	Actual Increase	% Increase	Statutory/ Discretionary?
For each district ward (3 seats) - 1 seat uncontested	£49.32	£51.29	£1.97	4.00%	Statutory role - personal appointment
For each district ward (3 seats) - 2 seats uncontested	£98.64	£102.59	£3.95	4.00%	Statutory role - personal appointment
For each district ward (3 seats) - 3 seats uncontested	£147.96	£153.88	£5.92	4.00%	Statutory role - personal appointment
For each district ward (3 seats) - 1 seat contested	£102.75	£106.86	£4.11	4.00%	Statutory role - personal appointment
For each district ward (3 seats) - 2 seats contested	£205.50	£213.72	£8.22	4.00%	Statutory role - personal appointment
For each district ward (3 seats) - 3 seats contested	£308.25	£320.58	£12.33	4.00%	Statutory role - personal appointment
Deputy Returning Officer*** (district elections contested and uncontested)	85% RO fee	85% RO fee	***	***	Statutory role - personal appointment
Returning Officer Count Fee - for each district ward (3 seats) - 1 seat	£61.65	£64.12	£2.47	4.00%	Statutory role - personal appointment
Returning Officer Count Fee - for each district ward (3 seats) - 2 seats contested	£123.30	£128.23	£4.93	4.00%	Statutory role - personal appointment
Returning Officer Count Fee - for each district ward (3 seats) - 3 seats contested	£184.95	£192.35	£7.40	4.00%	Statutory role - personal appointment
Returning Officer - recount fee for each recount	£25.69	£26.72	£1.03	4.00%	Statutory role - personal appointment
Deputy Returning Officer*** count fee district elections	85% RO fee	85% RO fee	***	***	Statutory role - personal appointment
For each Parish Council / Parish Council Ward - uncontested	£35.96	£37.40	£1.44	4.00%	Statutory role - personal appointment
For each Parish Council / Parish Council Ward - contested	£71.93	£74.80	£2.88	4.00%	Statutory role - personal appointment
Deputy Returning Officer*** (parish elections contested and uncontested)	85% RO fee	85% RO fee	***	***	Statutory role - personal appointment
Returning Officer Count fee - For each Parish Council / Parish Council Ward - electorate under 1000	£46.24	£48.09	£1.85	4.00%	Statutory role - personal appointment
Returning Officer Count fee - For each Parish Council / Parish Council Ward - electorate 1000 - 2000	£51.38	£53.43	£2.06	4.00%	Statutory role - personal appointment
Returning Officer Count fee - For each Parish Council / Parish Council Ward - electorate 2000 - 3000	£56.51	£58.77	£2.26	4.00%	Statutory role - personal appointment
Returning Officer Count fee - For each Parish Council / Parish Council Ward - electorate greater than 3000	£61.65	£64.12	£2.47	4.00%	Statutory role - personal appointment
Returning Officer - recount fee for each recount	£25.69	£26.72	£1.03	4.00%	Statutory role - personal appointment
Deputy Returning Officer count fee*** (parish elections)	85% RO fee	85% RO fee	***	***	Statutory role - personal appointment

\*Returning Officer, fee for conducting the election and generally performing the duties required by any enactments relating to the election, other than any duties for which separate fees are provided

\*\*Returning Officer fees for county elections and national are set by the body responsible for funding the election

\*\*\*The CDC Returning Officer fee is increased in line with staff cost of living increase

\*\*\*\*Appointed for the purposes of conducting and generally performing the duties assigned by the Returning Officer, other than duties for which separate fees are provided.

The Returning Officer has delegation to agree the fees their staff working on elections. The Oxfordshire County Council fee schedule for staff working on elections is adopted by all Oxfordshire districts/City, subject to local amendments for local circumstances by the respective Returning Officer



Parish Elections - Uncontested Election					
Fees and Charges	Fee 24-25 (excl. VAT)	Proposed Fee 25-26 (Excl. VAT)	Actual Increase	% Increase	Statutory/ Discretionary?
Uncontested Election recharge - scheduled-election	£200.00	£200.00	£0.00	0.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level and recharge consistent with other Oxfordshire districts
Uncontested Election recharge - by-election	£200.00	£200.00	£0.00	0.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level and recharge consistent with other Oxfordshire districts

Parish Elections - Contested Scheduled Election (combined)*					
Fees and Charges	Fee 24-25 (excl. VAT)	Proposed Fee 25-26 (Excl. VAT)	Actual Increase	% Increase	Statutory/ Discretionary?
Adderbury	£2,642.75	£2,695.61	£52.86	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Ambrosden	£2,160.69	£2,203.90	£43.21	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Ardley with Fewcott	£1,857.88	£1,895.04	£37.16	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Arcott	£1,978.50	£2,018.07	£39.57	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Calthorpe North Ward	£3,832.98	£3,909.64	£76.66	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Calthorpe South Ward	£3,323.24	£3,389.71	£66.46	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Easington North Ward	£1,960.85	£2,000.07	£39.22	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Easington South Ward	£3,309.68	£3,375.87	£66.19	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Grimsbury Ward	£4,241.56	£4,326.39	£84.83	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Hardwick East Ward	£2,052.50	£2,093.55	£41.05	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Hardwick West Ward	£4,629.67	£4,722.26	£92.59	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Neithrop North Ward	£2,832.16	£2,888.80	£56.64	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Neithrop South Ward	£2,783.23	£2,838.90	£55.66	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Park Road Ward	£3,405.20	£3,473.31	£68.10	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Ruscote Ward	£6,118.01	£6,240.37	£122.36	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Town Centre Ward	£3,477.62	£3,547.17	£69.55	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Barford St John and St Michael	£2,026.66	£2,067.20	£40.53	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Begbroke	£1,976.93	£2,016.47	£39.54	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bicester Town Council - East Ward	£4,985.27	£5,084.97	£99.71	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bicester Town Council - North Ward	£4,055.62	£4,136.74	£81.11	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bicester Town Council - South Ward	£6,750.96	£6,885.98	£135.02	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bicester Town Council - West Ward	£5,053.71	£5,154.78	£101.07	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Blackthorn	£1,879.48	£1,917.07	£37.59	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bletchington	£2,025.42	£2,065.93	£40.51	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bloxham	£3,093.74	£3,155.61	£61.87	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bodicote	£2,252.81	£2,297.87	£45.06	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bourton	£1,968.20	£2,007.56	£39.36	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Broughton	£1,892.59	£1,930.45	£37.85	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bucknell	£1,920.94	£1,959.36	£38.42	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Caversfield	£3,895.00	£3,972.90	£77.90	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level

**Appendix 4 - Fees and Charges Schedule**

Charlton-on-Otmoor	£1,913.22	£1,951.48	£38.26	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Chesterton	£2,047.60	£2,088.55	£40.95	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Claydon with Clattercot	£1,937.22	£1,975.97	£38.74	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Cropredy	£1,968.42	£2,007.79	£39.37	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Deddington	£2,421.68	£2,470.12	£48.43	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Drayton	£1,916.00	£1,954.32	£38.32	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Duns Tew	£1,998.25	£2,038.21	£39.96	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Epwell	£1,886.83	£1,924.57	£37.74	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Fencott & Murcott	£1,935.13	£1,973.83	£38.70	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Finmere	£1,911.80	£1,950.04	£38.24	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Fringford	£1,975.33	£2,014.83	£39.51	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Fritwell	£1,945.80	£1,984.72	£38.92	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Gosford & Water Eaton	£2,416.12	£2,464.44	£48.32	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Hanwell	£1,958.94	£1,998.11	£39.18	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Hethe	£1,913.59	£1,951.86	£38.27	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Heyford Park	£2,180.41	£2,224.02	£43.61	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Hook Norton	£2,382.05	£2,429.69	£47.64	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Horley	£1,888.19	£1,925.96	£37.76	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Hornton	£1,892.76	£1,930.61	£37.86	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Horton-cum-Studley	£1,939.28	£1,978.06	£38.79	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Islip	£2,022.54	£2,062.99	£40.45	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kidlington Parish Council - Dogwood Ward	£2,662.66	£2,715.91	£53.25	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kidlington Parish Council - Exeter Ward	£2,307.45	£2,353.60	£46.15	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kidlington Parish Council - Orchard Ward	£2,826.48	£2,883.01	£56.53	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kidlington Parish Council - St Mary's Ward	£2,789.51	£2,845.30	£55.79	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kidlington Parish Council - Roundham Ward	£2,390.63	£2,438.44	£47.81	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kirtlington	£1,955.44	£1,994.55	£39.11	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Launton	£2,088.58	£2,130.35	£41.77	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Lower Heyford	£1,981.44	£2,021.07	£39.63	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Merton	£1,916.13	£1,954.46	£38.32	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Middleton Stoney	£1,898.26	£1,936.22	£37.97	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Milcombe	£1,999.14	£2,039.12	£39.98	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Mollington	£1,989.67	£2,029.46	£39.79	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
North Newington	£2,071.98	£2,113.42	£41.44	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Piddington	£1,926.76	£1,965.30	£38.54	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Shenington with Alkerton	£1,906.14	£1,944.26	£38.12	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Shipton-on-Cherwell & Thrupp	£1,978.48	£2,018.05	£39.57	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Shutford	£1,923.72	£1,962.20	£38.47	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Sibford Ferris	£1,922.56	£1,961.01	£38.45	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Sibford Gower	£1,935.64	£1,974.35	£38.71	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Somerton	£1,934.92	£1,973.62	£38.70	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level

**Appendix 4 - Fees and Charges Schedule**

Souldern	£1,961.05	£2,000.27	£39.22	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
South Newington	£1,905.76	£1,943.88	£38.12	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Steeple Aston	£2,036.08	£2,076.80	£40.72	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Stoke Lyne	£1,906.70	£1,944.83	£38.13	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Stratton Audley	£2,017.22	£2,057.57	£40.34	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Swalcliffe	£1,859.97	£1,897.17	£37.20	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Tadmarton	£1,937.87	£1,976.63	£38.76	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Upper Heyford	£1,929.90	£1,968.49	£38.60	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Wardington	£2,005.09	£2,045.19	£40.10	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Wendlebury	£1,895.34	£1,933.25	£37.91	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Weston-on-the-Green	£1,937.94	£1,976.69	£38.76	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Wigginton	£1,895.72	£1,933.63	£37.91	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Wroxton	£1,932.84	£1,971.50	£38.66	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Yarnton	£2,664.53	£2,717.82	£53.29	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level

\*The increases reflect actual costs but with a fixed maximum amount to enable parish councils to budget accordingly. Going forward, recharges will be reviewed and increased annually.

Parish Elections - By-Election*, excludes poll cards**					
Fees and Charges	Current fee	Proposed Fee 25-26 (Excl. VAT)	Actual Increase	% Increase	Statutory/ Discretionary?
Adderbury	£3,308.84	£3,375.02	£66.18	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Ambrosden	£2,524.41	£2,574.90	£50.49	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Ardley with Fewcott	£2,155.01	£2,198.11	£43.10	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Arncott	£2,306.62	£2,352.76	£46.13	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Calthorpe North Ward	£4,203.05	£4,287.11	£84.06	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Calthorpe South Ward	£4,382.36	£4,470.00	£87.65	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Easington North Ward	£2,339.50	£2,386.29	£46.79	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Easington South Ward	£4,391.09	£4,478.91	£87.82	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Grimsbury Ward	£5,788.10	£5,903.86	£115.76	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Hardwick East Ward	£2,494.22	£2,544.10	£49.88	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Hardwick West Ward	£6,507.14	£6,637.28	£130.14	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Neithrop North Ward	£3,701.97	£3,776.01	£74.04	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Neithrop South Ward	£3,527.66	£3,598.21	£70.55	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Park Road Ward	£5,195.22	£5,299.13	£103.90	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Ruscote Ward	£9,455.23	£9,644.33	£189.10	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Banbury Town Council - Town Centre Ward	£4,886.90	£4,984.64	£97.74	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Barford St John and St Michael	£2,463.98	£2,513.26	£49.28	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Begbroke	£2,357.37	£2,404.51	£47.15	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bicester Town Council - East Ward	£7,239.78	£7,384.58	£144.80	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bicester Town Council - North Ward	£5,544.51	£5,655.40	£110.89	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bicester Town Council - South Ward	£8,940.77	£9,119.58	£178.82	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bicester Town Council - West Ward	£7,362.36	£7,509.60	£147.25	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Blackthorn	£2,183.92	£2,227.60	£43.68	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bletchington	£2,432.90	£2,481.56	£48.66	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bloxham	£3,767.52	£3,842.87	£75.35	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bodicote	£2,669.88	£2,723.27	£53.40	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bourton	£2,339.91	£2,386.71	£46.80	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Broughton	£2,210.15	£2,254.36	£44.20	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Bucknell	£2,273.99	£2,319.47	£45.48	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Caversfield	£4,129.09	£4,211.67	£82.58	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Charlton-on-Otmoor	£2,244.24	£2,289.13	£44.88	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Chesterton	£2,484.41	£2,534.09	£49.69	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Claydon with Clattercot	£2,299.40	£2,345.38	£45.99	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Cropredy	£2,340.35	£2,387.16	£46.81	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Deddington	£2,981.95	£3,041.58	£59.64	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Drayton	£2,235.52	£2,280.23	£44.71	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Duns Tew	£2,414.30	£2,462.59	£48.29	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Epwell	£2,198.61	£2,242.59	£43.97	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Fencott & Murcott	£2,302.38	£2,348.42	£46.05	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Finmere	£2,241.42	£2,286.24	£44.83	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level

Appendix 7 - Fees and Charges Schedule

Fringford	£2,361.30	£2,408.53	£47.23	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Fritwell	£2,295.11	£2,341.01	£45.90	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Gosford & Water Eaton	£3,078.16	£3,139.73	£61.56	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Hanwell	£2,349.99	£2,396.98	£47.00	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Hethe	£2,259.29	£2,304.48	£45.19	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Heyford Park	£2,549.56	£2,600.55	£50.99	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Hook Norton	£2,952.83	£3,011.89	£59.06	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Horley	£2,201.35	£2,245.38	£44.03	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Hornton	£2,210.48	£2,254.69	£44.21	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Horton-cum-Studley	£2,296.37	£2,342.30	£45.93	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Islip	£2,455.74	£2,504.85	£49.11	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kidlington Parish Council - Dogwood Ward	£3,362.98	£3,430.23	£67.26	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kidlington Parish Council - Exeter Ward	£2,844.06	£2,900.94	£56.88	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kidlington Parish Council - Orchard Ward	£3,683.47	£3,757.14	£73.67	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kidlington Parish Council - St Mary's Ward	£3,568.82	£3,640.19	£71.38	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kidlington Parish Council - Roundham Ward	£2,962.85	£3,022.11	£59.26	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Kirtlington	£2,307.23	£2,353.37	£46.14	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Launton	£2,415.94	£2,464.26	£48.32	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Lower Heyford	£2,380.70	£2,428.31	£47.61	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Merton	£2,257.22	£2,302.37	£45.14	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Middleton Stoney	£2,221.48	£2,265.91	£44.43	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Milcombe	£2,408.93	£2,457.11	£48.18	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Mollington	£2,397.15	£2,445.10	£47.94	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
North Newington	£2,568.92	£2,620.30	£51.38	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Piddington	£2,278.47	£2,324.04	£45.57	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Shenington with Alkerton	£2,230.09	£2,274.69	£44.60	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Shipton-on-Cherwell & Thrupp	£2,381.92	£2,429.56	£47.64	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Shutford	£2,265.26	£2,310.57	£45.31	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Sibford Ferris	£2,270.07	£2,315.47	£45.40	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Sibford Gower	£2,289.09	£2,334.87	£45.78	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Somerton	£2,294.81	£2,340.71	£45.90	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Souldern	£2,347.05	£2,393.99	£46.94	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
South Newington	£2,243.64	£2,288.51	£44.87	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Steeple Aston	£2,406.36	£2,454.49	£48.13	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Stoke Lyne	£2,245.51	£2,290.42	£44.91	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Stratton Audley	£2,452.26	£2,501.31	£49.05	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Swalcliffe	£2,152.05	£2,195.09	£43.04	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Tadmarton	£2,293.54	£2,339.41	£45.87	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Upper Heyford	£2,284.74	£2,330.44	£45.69	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Wardington	£2,420.85	£2,469.26	£48.42	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Wendlebury	£2,208.50	£2,252.67	£44.17	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Weston-on-the-Green	£2,293.68	£2,339.55	£45.87	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Wigginton	£2,223.55	£2,268.02	£44.47	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level

## Appendix 7 - Fees and Charges Schedule

Wroxton	£2,283.50	£2,329.17	£45.67	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level
Yamton	£2,895.90	£2,953.82	£57.92	2.0%	Statutory requirement to run elections on behalf of parishes - discretionary fee level

\*Parish recharges reflect actual costs but with a fixed maximum amount to enable parish councils to budget accordingly.

\*\* If a parish council requests poll cards for a by-election, the actual cost of poll cards (production and postage will be recharged)

<b>Public Protection, Environmental Health, Licensing</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (Excl. VAT)</b>	<b>Proposed Fee 25-26 (Excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>Environmental Health, Environmental Protection and Licensing</b>					
<b>Gambling Act</b>					
Premises	Various				Statutory
<b>Animal Licensing</b>					
Animal Boarding Establishment Licence	£460.35	£469.55	£9.20	2.0%	Discretionary
Pet Shop Licence	£460.35	£469.55	£9.20	2.0%	Discretionary
Riding Establishment Licence	£460.35	£469.55	£9.20	2.0%	Discretionary
Dog Breeding Establishment Licence	£460.35	£469.55	£9.20	2.0%	Discretionary
Dangerous Wild Animals Licence	£460.35	£469.55	£9.20	2.0%	Discretionary
Zoo Licence	£687.50	£701.25	£13.75	2.0%	Discretionary
<b>Skin Piercing, Tattooing, Acupuncture, Electrolysis etc.</b>					
Registration Fee	£126.50	£129.00	£2.50	2.0%	Discretionary
Registration of Premises	£187.00	£190.75	£3.75	2.0%	Discretionary
<b>Scrap Metal</b>					
Variation of scrap metal dealers licence type Collector - Dealer	£247.50	£252.45	£4.95	2.0%	Discretionary
Variation of scrap metal dealers licence - Admin, change of name or replacement	£124.85	£127.35	£2.50	2.0%	Discretionary
Scrap metal dealers site	£572.00	£583.45	£11.45	2.0%	Discretionary
Scrap metal collectors licence	£338.25	£345.00	£6.75	2.0%	Discretionary
<b>Street Trading consent charges</b>					
12 month period	£1,380.50	£1,408.00	£27.50	2.0%	Discretionary
6 month period	£687.50	£701.25	£13.75	2.0%	Discretionary
3 month period	£352.00	£359.00	£7.00	2.0%	Discretionary
1 month period	£198.00	£201.95	£3.95	2.0%	Discretionary
<b>Table and Chairs consent charges</b>					
12 month period (per chair)	£18.70	£19.07	£0.37	2.0%	Discretionary
Pavement licences (per chair- licences cannot extend beyond 30/09/2023)					Statutory
<b>Private Hire and Hackney Carriage DRIVER Fees and Charges</b>					
Grant of Licence 1 Year	£142.45	£145.25	£2.80	2.0%	Discretionary
Grant of licence 3 Years	£233.20	£237.85	£4.65	2.0%	Discretionary
Renewal of existing licence 1 year	£118.80	£121.15	£2.35	2.0%	Discretionary
Renewal of existing licence 3 years	£205.15	£209.25	£4.10	2.0%	Discretionary
DBS (was CRB) check and DVLA check	£77.00	£78.55	£1.55	2.0%	Discretionary
Knowledge Test	£34.65	£35.35	£0.70	2.0%	Discretionary
Cost of badge/ replacement badge	£38.50	£39.25	£0.75	1.9%	Discretionary
Cost of replacement paper licence	£18.70	£19.10	£0.40	2.1%	Discretionary
Disability and Safeguarding Awareness Training		0	£0.00	0.0%	Fee set by OCC
English Testing	£50.05	£51.05	£1.00	2.0%	Discretionary
<b>Hackney Carriage VEHICLE Fees and Charges</b>					
Grant of licence	£358.60	£365.75	£7.15	2.0%	Discretionary
Renewal of existing licence	£311.30	£317.50	£6.20	2.0%	Discretionary
Replacement licence plate	£27.50	£28.05	£0.55	2.0%	Discretionary
Replacement bracket	£27.50	£28.05	£0.55	2.0%	Discretionary
Change of vehicle only	£135.30	£138.00	£2.70	2.0%	Discretionary
Transfer of licensee only	£68.75	£70.00	£1.25	1.8%	Discretionary
Change of vehicle and licensee	£204.05	£208.00	£3.95	1.9%	Discretionary
<b>Private Hire VEHICLE Fees and Charges</b>					
Grant of new licence	£327.25	£333.70	£6.45	2.0%	Discretionary
Renewal of licence	£300.85	£306.80	£5.95	2.0%	Discretionary
Internal Plate Replacement	£13.75	£14.00	£0.25	1.8%	Discretionary
Plate or bracket replacement	£27.50	£28.00	£0.50	1.8%	Discretionary
Cost of replacement paper licence	£18.70	£19.10	£0.40	2.1%	Discretionary
Change of vehicle only	£135.30	£138.00	£2.70	2.0%	Discretionary
Transfer of licensee only	£68.75	£70.00	£1.25	1.8%	Discretionary
Change of vehicle and licensee	£204.05	£208.00	£3.95	1.9%	Discretionary
<b>Private Hire OPERATOR Fees and Charges</b>					
Operator's Licence (one vehicle only) - 1 year	£172.70	£162.50	-£10.20	-5.9%	Discretionary
Operator's Licence (one vehicle only) - 5 year	£159.50	£176.00	£16.50	10.3%	Discretionary
For each additional vehicle	£25.30	£25.80	£0.50	2.0%	Discretionary
<b>Sex Establishment Venue</b>					
Application	£1,919.50	£1,958.00	£38.50	2.0%	Discretionary
Renewal	£1,270.50	£1,296.00	£25.50	2.0%	Discretionary
<b>Contaminated land enquiry</b>					
Charge per hour or part thereof	£82.00	£84.00	£2.00	2.4%	Discretionary

<b>Public Protection, Environmental Health, Licensing</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (Excl. VAT)</b>	<b>Proposed Fee 25-26 (Excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>Health Protection</b>					
Food Export/Hygiene Certificates	£139.00	£142.00	£3.00	2.2%	Discretionary
Food Hygiene Rating Scheme Rescore Visit	£341.00	£345.00	£4.00	1.2%	Discretionary
Food Surrender Certificates	£150.00	£153.00	£3.00	2.0%	Discretionary
Copies of Food Premises Register (a) Single Entry	£5.23	£5.35	£0.12	2.4%	Discretionary
Copies of Food Premises Register (b) Full Register	£390.50	£399.00	£8.50	2.2%	Discretionary
Factual Statements for Civil Proceedings	£192.50	£197.00	£4.50	2.3%	Discretionary
Reports provided under the Environmental Information Regulations	£165.00	£165.00	£0.00	0.0%	Statutory
<b>Water Sampling</b>					
Large/Commercial use supplies (each assessment at £68/hour capped at £500)	£500.00	£500.00	£0.00	0.0%	Statutory
Risk assessment (each assessment at £68/hour capped at £500)	£500.00	£500.00	£0.00	0.0%	Statutory
Sampling (each visit)	£100.00	£100.00	£0.00	0.0%	Statutory
Investigation	£100.00	£100.00	£0.00	0.0%	Statutory
Granting an authorisation	£100.00	£100.00	£0.00	0.0%	Statutory
Analysing a sample:					
Taken under regulation 10	£25.00	£25.00	£0.00	0.0%	Statutory
Taken during Check monitoring	£100.00	£100.00	£0.00	0.0%	Statutory
Taken during Audit monitoring	£500.00	£500.00	£0.00	0.0%	Statutory
<b>Water Sampling Fees:</b>					
Lab Fees (Depending on criteria)	£101.75	£103.75	£2.00	2.0%	Discretionary
Pools (basic swimming pool test)	£39.60	£40.50	£0.90	2.3%	Discretionary
Sampling and admin cost recovery hourly rate	£55.00	£56.50	£1.50	2.7%	Discretionary
Courier charge	£39.60	£40.50	£0.90	2.3%	Discretionary
<b>Health Protection - Food Safety</b>					
Level 2 Food Safety in Catering Course					
Taught Course	£89.65	£92.00	£2.35	2.6%	Discretionary
Taught - Voluntary Groups	£50.60	£51.99	£1.39	2.7%	Discretionary
Taught - Unemployed	£50.60	£51.99	£1.39	2.7%	Discretionary
E-learning (all level 2 courses)	£30.50	£33.50	£3.00	9.9%	Discretionary
Level 2 Personal license Holder elearning and invigilated exam	£99.00	£101.00	£2.00	2.0%	Discretionary
Invigilated exam resit	£31.35	£32.00	£0.65	2.1%	Discretionary
Level 3 Food Hygiene Course Taught Course	£352.00	£359.00	£7.00	2.0%	Discretionary
Cost recovery - Commercial & Business Support					
Basic cost recovery (qualified officer)	£84.70	£86.50	£1.80	2.1%	Discretionary
Full cost recovery (qualified officer)	£93.50	£95.50	£2.00	2.1%	Discretionary
Mileage cost per mile	£0.50	£0.51	£0.02	3.0%	Discretionary
Strive for 5	£305.80	£312.00	£6.20	2.0%	Discretionary
SFBB Packs (without diary)	£19.25	£19.99	£0.74	3.8%	Discretionary
SFBB 48 week diary refills	£18.15	£18.99	£0.84	4.6%	Discretionary
SFBB Pack with 48 week diary refill	£30.25	£31.00	£0.75	2.5%	Discretionary
<b>Mobile Home Sites Fees</b>					
New Application					
1 to 10 pitches	£361.35	£368.50	£7.15	2.0%	Discretionary
11 to 30 pitches	£530.75	£541.25	£10.50	2.0%	Discretionary
31 to 99 pitches	£688.60	£702.50	£13.90	2.0%	Discretionary
100 or more pitches	£858.00	£875.00	£17.00	2.0%	Discretionary
Annual Fee					
1 to 10 pitches	£282.70	£288.25	£5.55	2.0%	Discretionary
11 to 30 pitches	£361.35	£368.50	£7.15	2.0%	Discretionary
31 to 99 pitches	£446.05	£455.00	£8.95	2.0%	Discretionary
100 or more pitches	£530.75	£541.25	£10.50	2.0%	Discretionary
Transfer/amendment	£199.65	£203.65	£4.00	2.0%	Discretionary
Replacement paper licence	£18.70	£19.10	£0.40	2.1%	Discretionary
Lodging rules	£68.64	£70.00	£1.36	2.0%	Discretionary



<b>Public Protection, Environmental Health, Licensing</b>					
<b>Fees and Charges</b>	<b>Fee 24-25 (Excl. VAT)</b>	<b>Proposed Fee 25-26 (Excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>Environmental Enforcement</b>					
Unwanted vehicle	£39.00	£39.75	£0.75	1.9%	Discretionary
Rats & Mice, Per consultation - 3 visits	£68.75	£70.25	£1.50	2.2%	Discretionary
Additional visit	£22.55	£23.00	£0.45	2.0%	Discretionary
Fleas, cockroaches ants, carpet beetles, and other household insects	£87.00	£88.75	£1.75	2.0%	Discretionary
Bedbugs	£123.75	£126.25	£2.50	2.0%	Discretionary
Wasps Nests	£74.55	£76.25	£1.70	2.3%	Discretionary
Collection of stray dogs	£189.00	£285.00	£96.00	50.8%	Both Statutory and Discretionary Elements
Kennel Costs (per day/part of)	£22.50	£28.00	£5.50	24.4%	Discretionary

<b>NOA, Cooper School and Stratfield Brake</b>					
<b>Fees and Charges</b>	<b>Fees 2024-25 (excl. VAT)</b>	<b>Proposed Fee 2025-26 (excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>NORTH OXFORDSHIRE ACADEMY ATP BANBURY</b>					
<b>ATP/GRASS INNER PITCH</b>					
Senior Match	£68.45	£69.85	£1.40	2.0%	Discretionary
Junior Match	£34.10	£34.80	£0.70	2.1%	Discretionary
Senior Training Whole Pitch	£49.45	£50.45	£1.00	2.0%	Discretionary
Senior Training Half Pitch	£30.75	£31.40	£0.65	2.1%	Discretionary
Junior Training Whole Pitch	£26.40	£26.95	£0.55	2.1%	Discretionary
Junior Training Half Pitch	£15.50	£15.80	£0.30	1.9%	Discretionary
<b>NORTH OXFORDSHIRE ACADEMY ATP FOR KEYHOLDERS</b>					
<b>60 Minutes Hire</b>					
Senior Match	£58.75	£59.95	£1.20	2.0%	Discretionary
Junior Match	£21.60	£22.05	£0.45	2.1%	Discretionary
<b>NORTH OXFORDSHIRE ATHLETICS TRACK BANBURY</b>					
<b>Fixtures</b>					
Non Cherwell Based Clubs Fixtures	£53.60	£54.70	£1.10	2.1%	Discretionary
Cherwell Clubs – Seniors Fixtures	£40.90	£41.75	£0.85	2.1%	Discretionary
Cherwell Clubs – Juniors Fixtures	£32.40	£33.05	£0.65	2.0%	Discretionary
Seniors Training	£42.60	£43.45	£0.85	2.0%	Discretionary
Juniors	£22.00	£22.45	£0.45	2.0%	Discretionary
<b>PAVILION/CHANGING/CLUB ROOM HIRE</b>					
Pavilion/Changing/Club Room Hire	£17.35	£17.70	£0.35	2.0%	Discretionary
<b>COOPER SCHOOL, BICESTER</b>					
<b>ATP – 60 Minutes</b>					
Senior Whole Pitch	£53.70	£54.80	£1.10	2.0%	Discretionary
Senior Half Pitch	£35.30	£36.00	£0.70	2.0%	Discretionary
Senior Quarter Pitch	£29.55	£30.15	£0.60	2.0%	Discretionary
Junior Whole Pitch	£45.30	£46.20	£0.90	2.0%	Discretionary
Junior Half Pitch	£28.20	£28.75	£0.55	2.0%	Discretionary
Junior Quarter Pitch	£19.75	£20.15	£0.40	2.0%	Discretionary
<b>Hockey Club – Whole Pitch</b>					
Senior Match – 90 Minutes	£94.60	£96.50	£1.90	2.0%	Discretionary
Senior Training – 60 Minutes	£54.00	£55.10	£1.10	2.0%	Discretionary
Junior Match – 90 Minutes	£49.35	£50.35	£1.00	2.0%	Discretionary
Junior Training – 60 Minutes	£31.90	£32.55	£0.65	2.0%	Discretionary
Public Liability Insurance re-charge charged at 10% of total hire fee.					

<b>NOA, Cooper School and Stratfield Brake</b>					
<b>Fees and Charges</b>	<b>Fees 2024-25 (excl. VAT)</b>	<b>Proposed Fee 2025-26 (excl. VAT)</b>	<b>Actual Increase</b>	<b>% Increase</b>	<b>Statutory/ Discretionary?</b>
<b>STRATFIELD BRAKE</b>					
Cricket Pitch Hire (per match)	£112.97	£115.25	£2.28	2.0%	Discretionary
Cricket Pitch Hire (per match) - junior	£55.94	£57.05	£1.11	2.0%	Discretionary
Rugby Pitch Hire - Adult Matches (per match)	£81.57	£83.20	£1.63	2.0%	Discretionary
Rugby Pitch Hire - Adult Training (per hour)	£52.47	£53.50	£1.03	2.0%	Discretionary
Rugby Pitch Hire - Junior Matches (per match)	£44.28	£45.15	£0.87	2.0%	Discretionary
Rugby Pitch Hire - Junior Training (per hour)	£27.94	£28.50	£0.56	2.0%	Discretionary
Rugby Pitch Hire - Mini Matches (per match)	£19.80	£20.20	£0.40	2.0%	Discretionary
Rugby Pitch Hire - Mini Training (per hour)	£11.66	£11.90	£0.24	2.1%	Discretionary
GAB Adult Pitch Hire - Match	£65.23	£66.55	£1.32	2.0%	Discretionary
GAB Adult Pitch Hire - Training	£44.28	£45.15	£0.87	2.0%	Discretionary
GAB Junior Pitch Hire - Match	£36.14	£36.85	£0.71	2.0%	Discretionary
GAB Junior Pitch Hire - Training	£24.48	£24.95	£0.47	1.9%	Discretionary
GAB Mini Pitch Hire - Match	£16.34	£16.65	£0.31	1.9%	Discretionary
GAB Mini Pitch Hire - Training	£11.66	£11.90	£0.24	2.1%	Discretionary
Football Pitch Hire - Adult Matches (per match)	£81.57	£83.20	£1.63	2.0%	Discretionary
Football Pitch Hire - Adult Training (per hour)	£52.47	£53.50	£1.03	2.0%	Discretionary
Football Pitch Hire - Junior Matches (per match)	£44.28	£45.15	£0.87	2.0%	Discretionary
Football Pitch Hire - Junior Training (per hour)	£29.10	£29.70	£0.60	2.1%	Discretionary
Football Pitch Hire - Mini Matches (per match)	£19.80	£20.20	£0.40	2.0%	Discretionary
Football Pitch Hire - Mini Training (per hour)	£11.66	£11.90	£0.24	2.1%	Discretionary
KYFC Football Pitch Hire - Junior Matches (per match) 9v9 & 11v11	£35.04	£35.75	£0.71	2.0%	Discretionary
KYFC Football Pitch Hire - Junior Training(p.hr) 9v9 & 11v11	£28.00	£28.55	£0.56	2.0%	Discretionary
KYFC Football Pitch Hire - Mini Matches (per match) 5v5 & 7v7	£16.34	£16.65	£0.31	1.9%	Discretionary
KYFC Football Pitch Hire - Mini Training (p.hr) 5v5 & 7v7	£11.66	£11.90	£0.24	2.1%	Discretionary
Function Room Hire - per hour	£30.86	£31.50	£0.64	2.1%	Discretionary
Running Club Showers	£1.54	£1.55	£0.01	0.6%	Discretionary
Changing Room Hire (per hour)	£11.66	£11.90	£0.24	2.1%	Discretionary

<b>HOLIDAY ACTIVITIES</b>					
<b>Fees and Charges</b>	<b>Fees 2024-25 (excl. VAT)</b>	<b>Proposed Fees 2025-26 (excl. VAT)</b>	<b>increase in %</b>	<b>increase in £</b>	<b>Statutory/ Discretionary?</b>
Day booking for holiday activity (8:45am to 3:00pm)	£22.50	£23.00	2.22%	0.5	Discretionary

**Cherwell District Council**  
**Equality and Climate Impact Assessment**  
**Budget Proposals 2025/26**

**Section 1: Summary details**

<b>Directorate and Service Area</b>	All Directorates and Service Areas
<b>What is being assessed?</b> (e.g. name of policy, procedure, project, service or proposed service change).	This assessment sets out the overall impact that the budget and business planning proposals have on a range of equality and diversity characteristics, including the nine protected characteristics defined under the Equality Act 2010, and against our climate change commitments, setting out any mitigations that have been put in place against possible negative impacts.
<b>Is this a new or existing function or policy?</b>	This impact assessment provides an overview of the 2025/26 budget and business planning proposals and so comments on changes to existing programmes as well as new proposals.
<b>Summary of assessment</b> Briefly summarise the policy or proposed service change and its possible impacts. Does the proposal bias, discriminate or unfairly disadvantage individuals or groups within the community? (Following completion of the assessment).	<p>This assessment covers the overall budget and business planning proposal for Cherwell District Council and seeks to highlight key evidence and intelligence that the Council has used to assess the impact of its budget proposals on the nine protected characteristics set out in the Equality Act 2010. The Council has also assessed the impact on those living in rural areas, those living with social deprivation, armed forces communities and carers.</p> <p>An initial review of all proposals was completed by the Performance and Insight Team to review their potential impact and determine where mitigations would be required. This overarching impact assessment has been carried out taking into account any individual Equalities Impact Assessments plus the combined impact of proposals for the budget.</p> <p>After assessing the and their com we have determined that none of the proposals will have an impact on residents within the protected characteristics.</p>
<b>Completed by</b>	Celia Prado-Teeling – Performance & Insight Team Leader
<b>Authorised by</b>	Stephen Hinds, Corporate Director of Resources and Transformation
<b>Date of Assessment</b>	28 November, 2024

## Section 2: Detail of proposal

**Context / Background**

Briefly summarise the background to the policy or proposed service change, including reasons for any changes from previous versions.

The Council's budget and business planning proposals are designed to enable us to deliver the key priorities in our Council's Plan supporting our communities to thrive and businesses to grow, inspiring and enabling positive, lasting change. Our strategic priorities are:

- Economic prosperity.
- Community leadership.
- Environmental stewardship.
- Quality housing and place making.

In addition, key themes including climate action, operational excellence and addressing inequality will be critical in supporting the delivery of the Council's overarching priorities and vision.

Cherwell Council has faced significant challenges in planning the 2025–2026 budget due to uncertainties in government funding, rising costs, and increased service demands. Despite needing to find £1.020m in savings, the council is proposing a balanced budget, reflecting our commitment to financial responsibility and service protection. We acknowledge the financial pressures on residents and, through careful planning and over £1 million in back-office savings, have managed to protect vital frontline services and minimise cost increases.

This budget and business planning round has been impacted by ongoing uncertainty in major funding streams such as Business Rates. In addition, significant budget pressures have arisen due to the cost of living crisis and the associated high levels of inflation. In combination, this is resulting in a challenging budgeting and business planning process which is hoping to address some of these pressure through a transformation programme that has been part of this Budget and Business Planning process to make sure we are making the most of our current resources.

Every proposal considered was required to undertake an initial Equalities Impact Assessment, completed by the service manager, to indicate whether they had identified any potential impacts of their savings proposals on protected characteristics. Please note that completing an individual

	<p>Equalities Impact Assessment is mandatory for all new projects, policies, strategies, and proposals presented by council services.</p> <p>Changes to fees and charges are addressed in the associated Fees and Charges schedule. Any increase to fees and charges may impact on those with more need to use a service, including due to an individual having one or more of the protected characteristics. Changes to fees and charges are proposed after consideration of inflation, service need, benchmarking, and market opportunities. Where material service impact has been assessed from changes in charges these will be addressed through the equality impact assessment process that supports decision making on the budget and business planning report or the later specific decision making process associated with review and any subsequent proposed change.</p>
<p><b>Proposals</b> Explain the detail of the proposals, including why this has been decided as the best course of action</p>	<p>The overall budget proposals for 2025-26 have been developed with the objective of effectively targeting services, so that we continue to meet the needs of the most vulnerable and fulfil our statutory duties. They are mixture of efficiency savings proposals which have been reviewed:</p> <ul style="list-style-type: none"> <li>• Charging developers for extra monitoring and defect checks.</li> <li>• Reducing costs in our leisure contracts</li> <li>• Using electric pool cars to save on mileage expenses and reduce carbon emissions.</li> <li>• Transferring the 5 to 11-year-olds’ holiday programme to our leisure provider.</li> <li>• Exploring a shared contractor framework for property, wellbeing and housing repairs to reduce costs.</li> <li>• Removing vacant job posts where possible.</li> <li>• After reviewing our balance sheet, using available resources to help lower borrowing costs.</li> <li>• Centralising our computer budgets and making our equipment replacement programme more efficient.</li> <li>• Simplifying the job evaluation process by using one scheme instead of two.</li> <li>• Reducing weekday overtime rates to standard pay.</li> <li>• Introducing a secure electronic document signing and sealing system to save time and money.</li> <li>• Finding efficiencies in facilities management.</li> <li>• Clarifying tenants’ responsibilities to avoid extra work and costs.</li> </ul> <p>Our income proposals for 2025-26 include our income sources, fees and charges, most fees will increase by 2% to match inflation; however, we are considering higher increases in some fees which</p>

	<p>have been reviewed from an Equalities point of view, ensuring there is no impact to residents within the protected characteristics.</p>
<p><b>Evidence / Intelligence</b> List and explain any data, consultation outcomes, research findings, feedback from service users and stakeholders etc, that supports your proposals and can help to inform the judgements you make about potential impact</p>	<p>In considering the impact of budget proposals before they are formally agreed, the Council undertakes a detailed process of democratic and community engagement. This includes:</p> <ul style="list-style-type: none"> <li>• Using the Oxfordshire Joint Strategic Needs Assessment (JSNA) of health and wellbeing needs, the associated Equalities Briefing and Cherwell District Profile and the results of the 2021 Census, to consider the making of our communities, and the possible impact of the proposals as they are drawn up.</li> <li>• A public consultation process, the results of which are published alongside the Budget and Business Planning proposals.</li> <li>• A democratic process including agreement of proposals by Executive, analysis and comment on those proposals by Budget and Business Planning Committee, and adoption of the budget by Full Council. Each of these stages provides an opportunity to invite comment and engagement from the public and representatives of particular organisations or population groups.</li> </ul>

**Section 3: Impact Assessment - Equalities Impact**

<p><b>Assessing the evidence and impact on those within the protected and additional characteristics</b></p>	<p><b>Age:</b> According to the 2021 Census there are 161,016 residents in Cherwell, of which 2.3% (3,751) are aged 85+. Cherwell’s population is ageing with the 85+ population predicted to increase by 88% by 2037. No specific issues relating to resident’s age have been identified as likely to arise as a result of these proposals.</p> <p><b>Disability:</b> Around 15% of Cherwell’s population have a disability, according to the Census 2021. No specific issues relating to disabilities have been identified as likely to arise as a result of these proposals.</p> <p><b>Gender Reassignment:</b> During the 2021 Census, a total of 657 residents stated that their gender identity is different from the sex registered at birth. No specific issues relating to gender reassignment have been identified as likely to arise as a result of these proposals.</p>
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**Pregnancy and Maternity:** There were 1,784 live births in Cherwell in 2022, a higher fertility rate in comparison with the county average. No specific issues relating to pregnancy nor maternity have been identified as likely to arise because of these proposals.

**Marriage and Civil Partnership:** According to the 2021 Census 48.6% of residents in Cherwell were married or in a civil partnership and 682 registered same-sex civil partnerships. No specific issues relating to marriage and civil partnership have been identified as likely to arise as a result of these proposals.

**Race including ethnic or national origin, colour or nationality:** In the 2021 Census, 88.7% of Cherwell's residents identified as white, 6% as Asian/Asian British or Asian Welsh, 2.9% as mixed or multiple ethnic groups, 1.8% were Black/Black African/ Black Caribbean or Black British and 1.3% were other ethnic groups. The majority of ethnic minority populations in Cherwell are based in Banbury. In regard to nationality 86.7% of residents only have UK national identity, 11% has a non-UK identity and 2.3% has UK identity and a non-UK identity (simultaneously). No specific issues relating to race including ethnic or national origin, colour or nationality have been identified as likely to arise as a result of these proposals.

**Religion or belief:** Regarding religion and belief, in the 2021 Census 50% of Cherwell residents identified as Christians, 38% as having no religion, 6.1% did not answer, 3.2% as Muslim, 0.8% as Hindu, 0.6% as Buddhist, 0.4% as Sikh, 0.5% other religion and 0.1% Jewish. No specific issues relating to religion or belief have been identified as likely to arise as a result of these proposals.

**Sex:** In the 2021 Census, Cherwell reported to have a population composed by 81,112 females (50.4%) and 79,904 (49.6%) males. No specific issues relating to sex have been identified as likely to arise as a result of these proposals.

**Sexual Orientation:** According to the Census 2021, of all over 16 years old Cherwell residents, 90.3% identified as heterosexual, 1.3% as gay or lesbian, 1.1% bisexual, 0.2% pansexual, 0.1 asexual and 6.8% did not respond. No specific issues relating to sexual orientation have been identified as likely to arise as a result of these proposals.

**Rural Communities:** Oxfordshire is the most rural county in the South East at 2.6 people per hectare and 40% of our population live in smaller towns and villages. No specific issues relating to rural communities have been identified as likely to arise as a result of these proposals.

**Armed Forces:** According to the Census 2021 there are 4,214 residents in Cherwell that have previously served in regular UK armed forces. No specific issues relating to the armed forces have been identified as likely to arise as a result of these proposals.

**Carers:** In 2021 there were a total of 11,597 unpaid carers in Cherwell. No specific issues relating to carers have been identified as likely to arise as a result of these proposals.

**Carer leavers:** Care Leavers face many challenges as they move into adulthood, such as those relating to careers, education, accommodation, and personal change. This assessment has identified no specific impact of our budget and business planning proposals on Care Leavers.

**Areas of Social Deprivation:** Although Oxfordshire is generally considered to be relatively affluent, there are pockets of deprivation and a number of these are located in Cherwell wards. Parts of Banbury Cross and Neithrop, Banbury Ruscote, Bicester South and Ambrosden, Bicester West, Kidlington East, and Launton and Otmoor are within the 20% most deprived areas of Cherwell.

## Section 4: Impact Assessment - Climate Change Impacts

CDC aim to be carbon neutral by 2030. How will your proposal affect our ability to reduce carbon emissions related to

Climate change impacts	No Impact	Positive	Negative	Description of impact	Any actions or mitigation to reduce negative impacts	Timescale and monitoring arrangements
Energy use in our buildings or highways	<input type="checkbox"/>	x	<input type="checkbox"/>	Bodicote House currently produces around 6% of overall CDC emissions. It is likely that this will fall following the move to Castle Quay.	The biggest source of buildings emissions is from our four leisure centres where investment in energy efficiency measures will have the biggest impact.	It will require a year's worth of energy usage at Castle Quay before we will begin to have an idea of the size of reduction in emissions.
Our fleet	<input type="checkbox"/>	x	<input type="checkbox"/>	Assuming that there is an allowance to continue to replace small vehicles with EVs, this will support overall emissions reductions.	The biggest source of emissions from fleet is from our RCVs and where investment in new technology could have a significant impact.	Current plans for investment in our RCVs is predicted to be no earlier than 2026.
Staff travel	<input type="checkbox"/>	x	<input type="checkbox"/>	Emissions from staff travel currently make just over 1% of overall emissions. It is an area where CDC can have an impact however, so investments which encourage lower carbon forms of travel are useful.		An EV car has been trialed during 2024 with limited success, however the move to Castle Quay provides an opportunity to review staff travel, given the more central location of CQ.
Purchased services and products (including construction)	x	<input type="checkbox"/>	<input type="checkbox"/>	A high-level estimate of emissions from purchased goods and services was done in early 2024. Changes in CDC procurement will need to be introduced in order for us to see reductions in our supply chain.	We are intending to work with OCC as they already have experience in understanding their supply chain and reducing emissions.	In March 2025, we will have updated figures on emissions, and depending on capacity, may be in a position to introduce new procurement rules.

We are also committed to enable Cherwell to become carbon neutral by 2030 and Oxfordshire by 2050. How will your proposal affect our ability to:

Climate change impacts	No Impact	Positive	Negative	Description of impact	Any actions or mitigation to reduce negative impacts	Timescale and monitoring arrangements
Enable carbon emissions reduction at district/county level?	<input type="checkbox"/>	<b>x</b>	<input type="checkbox"/>	The increase in the size of the climate team during 2024, is enabling CDC to play a greater role in supporting emissions reductions across both the district and the county.		Currently very difficult to measure this impact or to give a timescale.

**Section 5: Review**

Where bias, negative impact or disadvantage is identified, the proposal and/or implementation can be adapted or changed; meaning there is a need for regular review. This review may also be needed to reflect additional data and evidence for a fuller assessment (proportionate to the decision in question). Please state the agreed review timescale for the identified impacts of the policy implementation or service change.

<b>Review Date</b>	28 November 2024
<b>Person Responsible for Review</b>	Celia Prado -Teeling Performance & Insight Team Leader Jo Miskin – Climate Action Manager
<b>Authorised By</b>	Stephen Hinds, Corporate Director of Resources and Transformation, 28 November 2024



DISTRICT COUNCIL  
NORTH OXFORDSHIRE

## **Cherwell District Council Pay Policy Statement**

This policy statement will be subject to review annually and in accordance with new or proposed legislation to ensure that it remains relevant and effective. It is effective from 1<sup>st</sup> April 2025

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## 1. Introduction, Overview and Purpose

Under Section 112 of the Local Government Act 1992, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38-43 of the Localism Act 2011 and due regard to the associated Statutory Guidance including the Supplementary Statutory Guidance issued in February 2013 and guidance issued under the Local Government Transparency Code 2015.

The purpose of this statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees, excluding employees working in alternative service delivery models.

Thus, this statement details the methods by which salaries for all roles are determined, and the detail and the level of remuneration of its most senior employees. This statement will be published on the Council’s public website and will be available in other formats upon request.

Procedural and approval requirements set down in the Council’s Constitution will be applied as required.

In determining the pay and remuneration of all its employees, the Council takes account of the need to ensure value for money in respect of the use of public expenditure.

The Council develops and implements reward systems and structures which meet the following requirements:

- Allow the Council to recruit and retain high calibre employees to provide high quality services
- Maintain levels of pay which are in line with the Council’s financial policies and provide value for money
- Are open, transparent and accountable
- Are fair and consistent

Once approved, this policy statement will come into effect on 1 April 2025 superseding the 2024/25 statement and will continue to be reviewed on an annual basis.

## 2. Definitions

To support the transparency of the Pay Policy Statement, below are definitions for common words/phrases that are used throughout.

## **2.1. Remuneration**

For the purposes of this statement remuneration includes three elements – basic salary, pension and all other allowances arising from employment.

## **2.2. Chief Officers**

The definition of Chief Officers is defined as the officer designated as the Head of the Authority's Paid Service; a statutory chief officer – which under the Local Government and Housing Act 1989 means the Section 151 Officer and Monitoring Officer.

The definition of a non-statutory Chief Officer which under section 2 (7) of the 1989 Act means direct reports of the Head of Paid Service (HOPS), a person in a senior level position, for whom the HOPS is directly responsible; a person who, as respects all or most of the duties of his/her post, is required to report directly or is directly accountable to the HOPS; and any person who, as respects all or most of the duties of his/her post, is required to report directly or is directly accountable to the local authority themselves or any committee or sub-committee of the authority.

In the case of the Council these posts are:

- Chief Executive (Head of Paid Service)

### Statutory Chief Officers

- Assistant Director of Finance and Section 151 Officer
- Assistant Director of Law and Governance and Monitoring Officer

### Non-Statutory Chief Officers

- Corporate Director of Communities
- Corporate Director of Resources and Transformation

## **2.3. Lowest Paid Employees**

According to the pay scales, the lowest pay employees receive is on Grade A, Scale Point 3 which is the lowest standard pay point. The salary on this grade is currently payable to staff carrying out cleaning roles. Lowest paid employees exclude apprentices due to their trainee status and exclude staff who may have transferred into the Council under TUPE protected rates.



## 2.4. Pay Multiples

The pay multiples detail the relationship between two different pay amounts, showing the number of times one value is contained within another value. The relationships will be shown between:

- the highest paid taxable earnings (including base salary, variable pay, bonuses, allowances and cash value of any benefits in kind) and the lowest paid taxable earnings.
- the highest paid taxable earnings (including base salary, variable pay, bonuses, allowances and the cash value of any benefits in kind) and the median earnings figure of the whole workforce.
- the average median salary of Chief Officers and the median earnings figure of the whole workforce.

## 3. Pay Strategy

We undertake a review of the remuneration of all staff each year, taking into consideration hourly pay rates and other significant benefits such as annual leave entitlement (benchmarked), employer pension contributions, and training and development opportunities and a flexible approach to agile working. We believe that taking a holistic view to remuneration ensures that our staff are rewarded fairly and encourages us all to think of total reward packages rather than a single component such as base pay. At the point the Pay Policy Statement was published in 2024, the annual cost of living award had not been agreed. A local 2-year pay deal was negotiated with UNISON. For 2024-25, the cost-of-living award was agreed at 4% and implemented in December 2024 salary payments, backdated to 1 April 2024. In addition to a 4% increase, where this percentage increase did not equate to the national agreement for the sector of £1,290, non-consolidated payments of the difference between 4% and the national agreement of £1,290 for the national pay scales were provided to CDC employees. A copy of the 2024/25 pay scales are at appendix 1.

For 2025-26, the second year of the 2-year pay deal, an increase of 3.5% was agreed, effective from 1 April 2025. Based on 2025-26 pay scales, our lowest hourly rate is currently £12.02 which is 1.5% below the April 2025 rates for UK Living Wage of £12.21. Hourly rates for grade A and the first spine point of grade B will be uplifted to £12.21 to reflect the national living wage. Future cost-of-living awards will be applied to the original pay rates, not the national living wage rate but where hourly rates do not exceed the national living wage rate, then this rate would still apply. A copy of the pay rates is at appendix 2.

## 4. Pay Design

There is a single pay scale in operation at the Council. This was developed in 2018

by external reward specialists as part of a harmonisation process and in conjunction with a review of the job evaluation schemes in use. The harmonisation process was subject to a full consultation process with the trade unions.

The Council ensures that all pay arrangements can be objectively justified through the use of Job Evaluation methods. These are:

- Greater London Provincial Council (GLPC) scheme for roles that score under 560 points when evaluated.
- Roles that score 560 points and above are subject to HAY evaluation.

Grading structures for all groups of employees are implemented in line with agreed published pay scales and agreed relevant local terms and conditions of employment where applicable.

## 5. Appointments

The Personnel Committee is the appointing body for appointments to the role of Head of Paid Service.

The statutory role of s151 officer is held by the Assistant Director of Finance and the Monitoring Officer held by the Assistant Director of Law and Governance. The Head of Paid Service can appoint to Assistant Director level roles, subject to ratification of Executive members but Full Council ratify appointments of statutory officers.

The Personnel Committee is the appointing body for non-statutory Chief Officers.

The Executive consultation procedure is utilised as required by regulations for Chief Officer posts and Assistant Director roles. Information relating to Chief Officer roles and direct reports can be found at appendix 3.

Post	Regulatory Description	Appointment under Constitution
Head of Paid Service	Head of Paid Service	Personnel Committee with recommendation to Full Council
(s151 Officer) Assistant Director of Finance	Statutory Chief Officer	Head of Paid Service for the appointment of Assistant Director role, ratified by Executive members, with Full Council appointing to s151 Officer
(Monitoring Officer) Assistant Director of Law and Governance	Statutory Chief Officer	Head of Paid Service for the appointment of Assistant Director role, ratified by Executive members, with Full Council appointing to Monitoring Officer
Corporate Director of Communities	Non-statutory Chief Officer	Personnel Committee, ratified by Executive members
Corporate Director of Resources	Non-statutory Chief Officer	Personnel Committee, ratified by Executive members

Any pay or grading changes for Chief Officers are considered and, if agreed, approved by the Personnel Committee.

## 6. Pay Structures

### 6.1. Pay Grades and Progression

Most jobs have a grade with at least four and a maximum of five incremental points. When an employee is appointed to a new role it is typically at the bottom of the grade, unless they have significant experience in a similar role.

Annually and usually with effect from 1<sup>st</sup> April, pay awards are implemented following local negotiation with the trade unions and are broadly in line with national recommendations.

Employees also progress to the next incremental point within their pay scale on the 1 April following their completion of a full years' service. This system recognises their increasing experience and performance, and progression continues until they reach the top of the grade.

### **6.2. High levels of performance are expected from all employees and where standards are not satisfactory, prompt managerial action will be taken to improve performance. Increments may be withheld as a result of these actions arising from disciplinary or capability situations.**

From time to time it may be necessary to pay special allowances or supplements to individual employees as part of their employment contract where specific circumstances require this and where it can be justified in accordance with Council policies. The Council uses the following:

- Honoraria are paid where an employee has taken on additional duties and responsibilities for a defined period, for example covering a vacancy due to maternity leave or other staff absence.
- Market supplements are paid where there are exceptional circumstances or sudden changes in market forces deeming it necessary in order to recruit and retain staff.

The Council will ensure that the requirement for additional allowances or supplements is objectively justified by reference to clear and transparent evidence.

Pay Supplements are subject to reviews as appropriate in accordance with agreed procedures.

## **7. Other Employment Related Arrangements**

### **7.1. Local Government Pension Scheme (LGPS)**

Subject to qualifying conditions, employees have a right to belong to the LGPS.

The Employee contribution rates which are defined by statute, currently range between 5.5% and 12.5% of pensionable pay depending on actual salary levels.

The Employer contribution rates are set by actuaries and reviewed on a triennial basis in order to ensure the scheme is appropriately funded. The current average rate is 15.9% based on making an upfront payment of £5.7m to cover a 3-year period until 2025/26.

### **7.2. Benefits Schemes**

As part of the Reward Strategy to recruit and retain high calibre employees, the Council provides a wide range of benefits including the Cycle Scheme and Childcare Voucher salary sacrifice schemes and has now introduced an Electric Vehicle salary sacrifice scheme.

A full review of the benefits offered by the council is continuing in 2025.

### **7.3. Expenses**

Subsistence and out of pocket expenses are based on national joint council rates. Car mileage is based on the HM Revenue & Customs approved rate, currently 45 pence per mile falling to 25 pence, for miles travelled in excess of 10,000 per annum.

## **8. Pay Arrangements for Senior Management**

The Council does not apply any bonuses or performance related pay to its Chief Officers.

The Assistant Director of Finance and Section 151 Officer and the Assistant Director of Legal and Democratic and Monitoring Officer each receive an allowance for statutory duties of £13,417.97 per annum.

Where Officers receive fees for undertaking elections duties, these will be shown separately to salary. Election fees are reviewed by the Returning Officer.

## **9. Pay Multiples and Medians as at 1st April 2025**

Cherwell District Council is required to report on the pay multiples between its lowest and highest paid members of staff.

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**Table 1** shows the ratio between the lowest paid and the highest paid and the ratio between the median salary of the workforce and the highest paid.

<b>Pay Multiples</b>	<b>2025/26</b>
Highest Paid - Chief Executive	£161,460
Lowest Paid	£23,557
Pay Multiple between the lowest paid and the highest paid	6.9:1
Median Salary	£56,382
Pay Multiple between median and highest paid	2.9:1

**Table 2** shows the ratio between the median salary of the workforce and the average salary of its Chief Officers.

<b>Pay Multiples using the average salary of Chief Officers</b>	<b>2025/26</b>
Average Salary of Chief Officers	£116,512
Lowest Paid	£23,557
Pay Multiple between the lowest paid and the Average Salary of Chief Officers	4.9:1
Median Salary	£56,382
Pay Multiple between Median salary and Average salary of Chief Officers	2.1:1

## **10. Payments on Termination of Employment**

The Cherwell District Council Redundancy Scheme applies to all employees and is one week's statutory entitlement based on actual pay per year of service for employees under the age of 41 years and one and half week's statutory entitlement based on actual pay for those aged 41 years and above where redundancy payments are due. A maximum of 20 years' service can be taken into account for redundancy payments.

All employees who have received a redundancy payment in relation to the termination of their contracts of employment will be subject to the provisions of the Redundancy Modification Order and will be subject to Local Government Pension Scheme (LGPS) Regulations.

Where severance payments are appropriate such payments will be approved by the Monitoring Officer, Assistant Director of Finance (s151) and Head of Paid Service and will be the subject of a Settlement Agreement for the purpose of compromising any compensation for which the Council may otherwise be legally liable. Severance payments will be discussed with legal advisors and a 'Best Value' note obtained based on the merits of the individual case. Severance payments over £100,000 require Full Council approval.

## **11. Publication of Senior Salaries Statement**

In accordance with publication requirements, a table showing information on the pay of all officers earning over £50,000 per annum will be published on the Council's website. All allowances and other payments will also be shown, as well as services and functions each role is responsible for, inclusive of budget held and number of staff managed.

Claire Cox  
Assistant Director of Human Resources  
December 2024



## Appendix 1 - Cherwell District Council Pay Scales for 2024/25

Pay structure is effective as at 1 April 2024.

CHERWELL DISTRICT COUNCIL PAY SCALES - 2024/25								
Grade	Levels	Annual	Hourly		Grade	Levels	Annual	Hourly
Grade A	1	£21,414.50	£11.10	*with effect from 01/04/2024, salaries on Grade A spine point 1 will be uplifted to £11.44 per hour (£22,071 full-time annual salary) to reflect the national living wage.	Grade J	1	£54,476.00	£28.24
	2	£22,190.50	£11.50			2	£55,353.50	£28.69
	3	£22,411.00	£11.62			3	£56,231.00	£29.15
Grade B	1	£22,411.00	£11.62			4	£57,108.50	£29.60
	2	£23,035.00	£11.94			5	£57,986.50	£30.06
	3	£23,659.00	£12.26		Grade K	1	£57,986.50	£28.90
4	£24,282.50	£12.59	2			£59,079.00	£29.44	
5	£24,907.00	£12.91	3			£60,171.50	£29.99	
Grade C	1	£24,907.00	£12.91			4	£61,265.00	£30.53
	2	£25,530.50	£13.23			5	£62,358.00	£31.08
	3	£26,154.50	£13.56		Grade L	1	£62,358.00	£32.32
4	£26,778.00	£13.88	2			£63,417.50	£32.87	
5	£27,402.00	£14.20	3			£64,478.50	£33.42	
Grade D	1	£27,402.00	£14.20			4	£65,538.50	£33.97
	2	£28,026.50	£14.53			5	£66,599.00	£34.52
	3	£28,650.50	£14.85		Grade M	1	£66,599.00	£33.19
4	£29,274.00	£15.17	2			£67,660.00	£33.72	
5	£29,898.00	£15.50	3			£68,719.50	£34.25	
Grade E	1	£29,898.00	£15.50			4	£69,780.00	£34.78
	2	£30,522.50	£15.82			5	£70,840.50	£35.31
	3	£31,146.00	£16.14	Assistant Director Level 1	1	£77,449.50	£40.14	
4	£31,769.50	£16.47	2		£78,685.50	£40.78		
5	£32,393.50	£16.79	3		£79,921.00	£41.43		
Grade F	1	£32,393.50	£16.79		4	£81,155.50	£42.06	
	2	£33,642.00	£17.44		5	£82,391.50	£42.71	
	3	£34,889.50	£18.08	Assistant Director Level 2	6	£87,333.50	£43.53	
4	£35,825.00	£18.57	7		£88,569.00	£44.14		
5	£37,073.00	£19.22	8		£89,805.00	£44.76		
Grade G	1	£37,073.00	£19.22		9	£91,040.50	£45.37	
	2	£38,321.00	£19.86		10	£92,276.50	£45.99	
	3	£39,569.00	£20.51	Executive Director - Level 1	1	£96,628.00	£50.08	
4	£40,817.50	£21.16	2		£97,892.00	£50.74		
5	£42,064.50	£21.80	3		£99,155.00	£51.39		
Grade H	1	£42,064.50	£21.80		4	£100,419.50	£52.05	
	2	£43,312.50	£22.45		5	£101,684.00	£52.71	
	3	£44,560.50	£23.10	Executive Director - Level 2	6	£109,599.00	£54.62	
4	£45,808.50	£23.74	7		£112,034.00	£55.84		
5	£47,055.50	£24.39	8		£115,688.00	£57.66		
Grade I	1	£47,055.50	£24.39		9	£121,138.50	£60.37	
	2	£48,304.00	£25.04		Chief Executive	1	£145,600.00	£75.47
	3	£49,551.50	£25.68	2		£149,066.50	£77.26	
4	£50,800.00	£26.33	3	£152,533.00		£79.06		
5	£52,048.00	£26.98	4	£156,000.00		£80.86		

Apprenticeship pay rates:

Levels	Annual Pay	Hourly rate
1 (under 18 or in first year)	£14,195.00	£7.36
2 (18-20)	£17,746.50	£9.20
3 (21 & over)	£22,190.50	£11.50
4 (23 & over)	£22,411.00	£11.62

## Appendix 2 - Cherwell District Council Pay Scales for 2025/26

Pay structure is effective as at 1 April 2025.

CHERWELL DISTRICT COUNCIL PAY SCALES - 2025/26								
Grade	Levels	Annual	Hourly		Grade	Levels	Annual	Hourly
Grade A	1	£22,164.50	£11.49	*with effect from 01/04/2025, salaries on Grade A spine point 1 to Grade B spine point 1 will be uplifted to £12.21 per hour (£23,556 full-time annual salary) to reflect the national living wage.	Grade J	1	£56,383.00	£29.22
	2	£22,967.50	£11.90			2	£57,291.00	£29.70
	3	£23,195.50	£12.02			3	£58,199.50	£30.17
Grade B	1	£23,195.50	£12.02			4	£59,107.50	£30.64
	2	£23,841.50	£12.36			5	£60,016.50	£31.11
	3	£24,487.50	£12.69		Grade K	1	£60,016.50	£30.06
4	£25,132.50	£13.03	2			£61,147.00	£30.62	
5	£25,779.00	£13.36	3			£62,277.50	£31.19	
Grade C	1	£25,779.00	£13.36			4	£63,409.50	£31.76
	2	£26,424.50	£13.70			5	£64,541.00	£32.32
	3	£27,070.00	£14.03		Grade L	1	£64,541.00	£33.45
	4	£27,715.50	£14.37			2	£65,637.50	£34.02
5	£28,361.50	£14.70	3			£66,735.50	£34.59	
Grade D	1	£28,361.50	£14.70			4	£67,832.50	£35.16
	2	£29,007.50	£15.04			5	£68,930.00	£35.73
	3	£29,653.50	£15.37	Grade M	1	£68,930.00	£34.52	
4	£30,299.00	£15.70	2		£70,028.50	£35.07		
5	£30,944.50	£16.04	3		£711,255.00	£35.62		
Grade E	1	£30,944.50	£16.04		4	£72,222.50	£36.17	
	2	£31,591.00	£16.37		5	£73,320.00	£36.72	
	3	£32,236.50	£16.71	Assistant Director Level 1	1	£80,160.50	£41.55	
	4	£32,881.50	£17.04		2	£81,439.50	£42.21	
5	£33,527.50	£17.38	3		£82,718.50	£42.88		
Grade F	1	£33,527.50	£17.38		4	£83,996.00	£43.54	
	2	£34,173.50	£17.71		5	£85,275.50	£44.20	
	3	£34,819.50	£18.05	Assistant Director Level 2	6	£90,390.50	£45.27	
4	£35,465.50	£18.38	7		£91,669.00	£45.91		
5	£36,111.50	£18.71	8		£92,948.50	£46.55		
Grade G	1	£36,111.50	£18.71		9	£94,227.00	£47.19	
	2	£36,757.50	£19.04		10	£95,506.50	£47.83	
	3	£37,403.50	£19.37	Executive Director - Level 1	1	£100,010.00	£51.84	
	4	£38,049.50	£19.70		2	£101,318.50	£52.52	
5	£38,695.50	£20.03	3		£102,625.50	£53.19		
Grade H	1	£38,695.50	£20.03		4	£103,934.50	£53.87	
	2	£39,341.50	£20.36		5	£105,243.00	£54.55	
	3	£39,987.50	£20.69	Executive Director - Level 2	6	£113,435.00	£56.81	
4	£40,633.50	£21.02	7		£115,955.50	£58.07		
5	£41,279.50	£21.35	8		£119,737.50	£59.96		
Grade I	1	£41,279.50	£21.35		9	£125,378.50	£62.79	
	2	£41,925.50	£21.68		Chief Executive	1	£150,696.00	£78.11
	3	£42,571.50	£22.01	2		£154,284.00	£79.97	
	4	£43,217.50	£22.34	3		£157,872.00	£81.83	
5	£43,863.50	£22.67	4	£161,460.00		£83.69		

Apprenticeship pay rates:

Levels	Annual Pay	Hourly rate
1 (under 18 or in first year)	£14,692.00	£7.62
2 (18-20)	£18,368.00	£9.52
3 (21 & over)	£22,967.50	£11.90
4 (23 & over)	£23,195.50	£12.02

## Appendix 3 – Chief Officers and Direct Reports

The positions listed below are core establishment and are Chief Officers outlined in the Pay Policy Statement and posts that report directly to Chief Officers.

Position Name	Department	Directorate	Grade Name	Salary Range
Chief Executive	Corporate Leadership Team	Chief Executive	CHIEF EXEC	£150,696 – 161,460
Corporate Director of Communities	Corporate Leadership Team	Communities	EXEC DIR GRD	£113,435 – 125,378.50
Corporate Director of Resources and Transformation	Corporate Leadership Team	Resources and Transformation	EXEC DIR GRD	£113,435 – 125,378.50
Assistant Director of Finance and Section 151 Officer	Corporate Leadership Team Finance	Resources and Transformation	AD 2	£90,390.50 – 95,506.50
Assistant Director of Law and Governance and Democratic Services and Monitoring Officer	Corporate Leadership Team & Law and Governance, and Procurement	Resources and Transformation	AD 2	£90,390.50 – 95,506.50
Assistant Director of Wellbeing and Housing Services	Wellbeing and Housing Services	Communities	AD 2	£90,390.50 – 95,506.50
Assistant Director of Environmental Services	Environmental Services	Communities	AD 2	£90,390.50 – 95,506.50
Assistant Director of Growth and Economy	Growth and Economy	Communities	AD 2	£90,390.50 – 95,506.50
Assistant Director of Planning and Development	Planning and Development	Communities	AD 2	£90,390.50 – 95,506.50
Head of Regulatory Services and Community Safety	Regulatory Services	Communities	C Grade M	£68,930 - £73,320
Assistant Director of Customer Focus	Customer Focus	Resources and Transformation	AD 2	£90,390.50 – 95,506.50
Assistant Director of HR	HR OD and Payroll	Resources and Transformation	AD 1	£80,160.50 - £85,275.50
Assistant Director of Property	Property	Resources and Transformation	AD 2	£90,390.50 – 95,506.50
Head of Legal and Democratic Services	Law and Governance, and Procurement	Resources and Transformation	C Grade M	£68,930 - £73,320
Head of Digital and Innovation	ICT and Digital	Resources and Transformation	C Grade M	£68,930 - £73,320
Head of Finance	Finance	Resources and Transformation	C Grade M	£68,930 - £73,320
Head of Revenues and Benefits Services	Finance	Resources and Transformation	C Grade M	£68,930 - £73,320

\* Statutory Officer Allowance of £13,417.97 per annum paid in addition to salary

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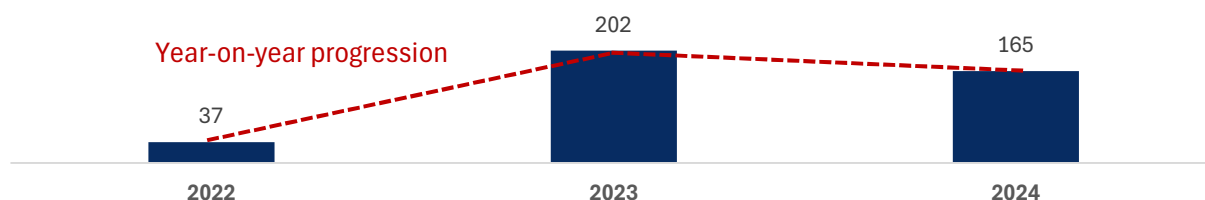
## Cherwell District Council budget and business plan consultation results 2025/26

This report sets out key findings from Cherwell District Council’s budget consultation, conducted between 22 November 2024 and 23 December 2024, to support the 2025/26 budget and business planning setting processes, and procedures.

### Executive summary

#### Responses and respondent profile

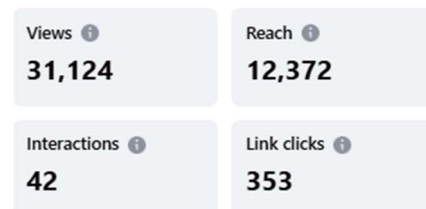
- The final counted score accumulated 165 participant responses (with a **18.31%** decrease in comparison to the previous year engagement from our targeted audience), with a final less than **1%** difference from last update provided to Financial Services, in 2024.
- In terms of year-on-year progressions, however, engagement increased to **134%**, in average, enabled by the new consultation tool, strategic planning and partnership with our communications service team.



#### Promotional activities

The communications team issued numerous callouts to inform people of the budget consultation and encouraged them to participate. This included press releases of media covers, posters, e-flyers to different audiences, emails, Cherwell Link, e-newsletter stories and social media posts, on all available council channels.

- For better understanding of the extent of reach and effort in recruiting engagement, here you can see an example of results of one social media post:



#### Approach to savings results

This year, 8 proposals were offered to residents opposed to the 9 proposals from our last survey, and we note an overall tendency to positive feedback from survey respondents, which suggests the affirmation that ‘efficiency proposals are contributing year-on-year to the council’s savings, and reflect a positively among residents as overall outcome response, enabled because:

- of how healthy the budget management has been set year-on-year,
- how it is reflected by the numbers of participation in engagement for this survey and,
- the outcomes reflected in the figures shown in this document.

After gathering this survey’s results, we can confirm that respondents accumulated an average of **83.79%** acceptance, or in other words, more than **83%** approval rate to efficiencies proposed for 2025/26.

It can also be mentioned that the most recognized or highest scoring proposal in respondent’s views was related to the:

- “Increase by £10 per unit (25%) the fee we charge to developers for assigning postal addresses to their newly built properties” and
- “Increase the fees, we charge for Planning Performance Agreements (PPAs). The increase would cover inflation and increased running costs by generating £0.050m. PPAs are usually put in place with larger developers when submitting planning applications to assist the process”.

Both, accumulating a **91.52%** approval rate and average, however, at the opposite side of the range acknowledging the lowest scoring proposal or least acceptance proposal was set to the increase in garden waste subscriptions, considering:

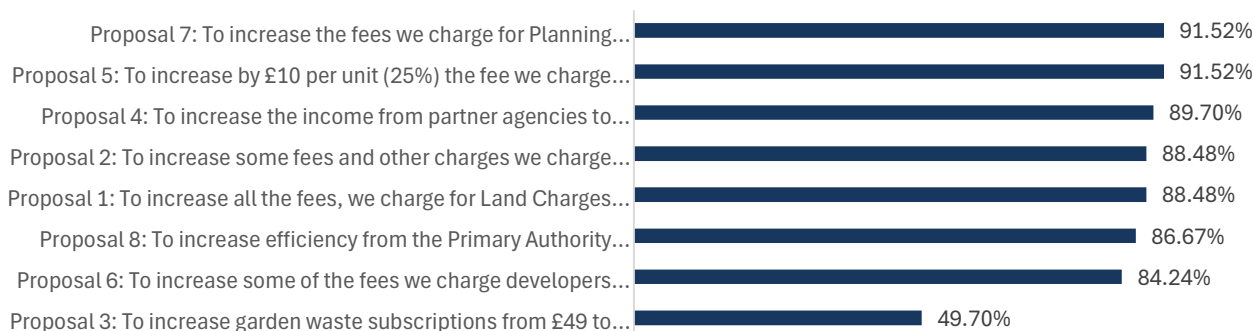
- “Increase in garden waste subscriptions from £49 to mitigate rising cost pressures due to fuel, staff and vehicle costs increasing beyond inflation. We have compared our service with neighbouring areas across Oxfordshire, which charge an average of £65 for 2024/25”. With an overall approval rate of **49.70%** (or less than half of respondent’s acceptance to the proposal), divided by:
  - The option to selecting £55, as the value to be charged, with approval rate of **41.82%**, or
  - The option to selecting £59 as the value to be charged, with approval rate of **7.88%**,

Making £55 the most accepted charge option chosen, but still below 50% of the overall acceptance of respondents within the results of this survey.

### Popularity of saving proposals in ranking

The top three saving proposals with the highest respondents’ support rate, were respectively:

1. Proposal 7: To increase the fees, we charge for Planning Performance Agreements (PPAs). The increase would cover inflation and increased running costs by generating £0.050m. PPAs are usually put in place with larger developers when submitting planning applications to assist the process. – **supported by 151 respondents.**
2. Proposal 5: To increase by £10 per unit (25%) the fee we charge to developers for assigning postal addresses to their newly built properties. – **supported by 151 respondents.**
3. Proposal 4: To increase the income from partner agencies to increase capacity for delivering the Land Drainage and Flood Risk Management Agency Agreement that we undertake on their behalf. This does not impact the cost of services to residents and would allow the council to better resource responses to flood impacts. It would bring in a potential new income of £0.008m during 2025/26. – **supported by 148 respondents.**



Taking that the median value was **83.78%**, for all proposals recorded, we can safely suggest that all but one of proposals offered were accepted positively by participating respondents.

### Council tax

- Overall, **65.45%** of the respondents (108) supported to the proposed £5 increase, while about a third of respondents or **33.94%**, rejected it.
- 100% Council Tax Premium on "Second Homes" will be applied and payable. The 100% Council Tax Premium for "Second Homes", which would mean that owners of these properties would pay double the standard Council Tax if:
  - The property is not anyone’s main or sole residence, and
  - The property is substantially furnished, with over **88%** overall approval and.
- Long-Term Empty Properties’ Premium that was applied for properties unfurnished and unoccupied for two years, which would have the premium applied at the one-year mark instead, with over **92%** overall approval.

## Fees and Charges

72.02% was recorded for support and/or approval of proposed increment of proposed fees and charges, aligning with costs, inflation impact and government directives. Taking that the median value for those reached the 82.01% mark, we can safely suggest that most proposals have been well accepted.

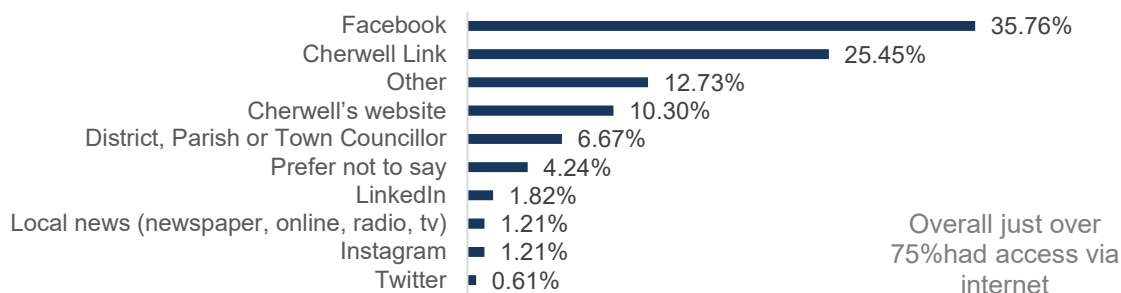
## Report Details

### 1. Approach

1.1 Between 22 November 2024 and 23 December 2024, the council invited comments on its budget proposals for 2025/26, including its council tax, fees and charges increases, with residents and stakeholders signposted to supporting documents for detailed information on proposed increment to fees and charges.

1.2 Feedback was primarily collated using an online survey from the council's digital consultation and engagement platform, Citizen Space, with participants able to give comments by email or paper copies, if necessary, and on request.

1.3 The budget consultation was actively promoted to a wide range of audiences using multiple channels (of media, social media, digital platforms, our website, and advertising) with staff and councillors helping 'spread the word'. Also, posters were distributed and placed across the district.

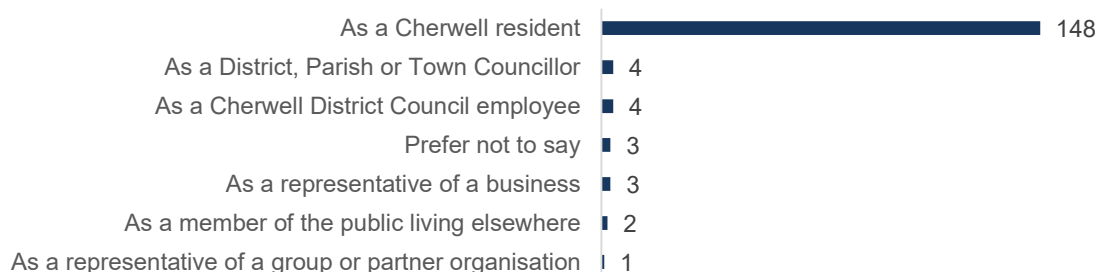


In terms of point of access: for the question 'How did you find out about this consultation?', internet interactions dominated the way in which people accessed the consultation, at 75.01% combined.

### 2. Respondent's Profile

2.1 Of the 165 online survey responses received, with no emails or paper copies

2.2 Of those, 148 named themselves as 'Cherwell' residents, with:



- Four identified as 'a District, Parish or Town Councillor', and
- Four as 'a Cherwell District Council employee' with
- Three as 'Prefer not to say'
- Three as 'a representative of a business'
- Two as 'a member of the public living elsewhere'
- One 'as a representative of a business'

- One 'as a representative of a group or partner organisation'.

2.3 In terms of respondent's demographic profile (where information was provided), to most significant aspects, were:

- **Age:** with respondents age range from 16 to 75 or over, as the highest engagement rate, congregating between the 55 to 74-years old, and accumulating nearly 51% of participants. A mention here to very little participation from young adults (here in the range of 16 to 34-years of age), with only over 5% participation, whilst overall, a 'mature' audience (aged 35 and over) had more to say, accumulating nearly 95% of respondents who participated in this survey.
- **Sexual identity:** with most respondents being men (88), representing over 53% of participation, whilst women (61), represented nearly 37% in participation, with the remainder responding as 'preferred not to say' (15 people or only over 9%) and 'non-binary' (1 person or 0.61%).
- **Sexual orientation:** with most respondents being Straight/Heterosexual (111), representing over 67% of participation, followed by Gay or Lesbian (7 or 4.24%), Bisexual (3 or 1.82%), with the remainder (37 or nearly 23%), responding as 'prefer not to say', 'other' or simply did not answer the question.
- **Descent or ethnic group:** with most respondents being white or of white mixed background, accounting for 129 entries (just over 78%), followed by those not willing to share this information with (27), responding 'prefer not to say' (at over 16%), with another 2 responding 'other or not answered', (or just over 1.2%).
- **Religion:** with most respondents (83) willing to share their religion, at over 50% self-designated as 'Christian' in some way, followed by those who are 'Buddhist' (2 or 1.21%), however, those not willing to share such information (nearly 49% or 80 of them), selected 'other' or 'prefer not to say', or simply not answering the question.
- **Consent to publish responses:** When asked whether respondents were "happy for their responses to be made public", most of them (over 95%) consented, however, 44 respondents (26.67%) made it clear that only part of their information can be made public, and details must comply with such specification, whilst eight respondents (4.85%), did not want their responses made public in any way.
- **Regular updates sign up:** were accepted by 53 respondents (32.12%)

### 3. Approach to savings

3.1 Survey respondents were informed that "Like many councils across the country, Cherwell faced significant challenges in planning its 2025–2026 budget, having to navigate uncertainties in government funding, rising costs, and growing services demands, resulting in the need to find savings of £1.020m.

3.2 Through 'careful planning', over £1 million in new back-office savings was managed, maintaining vital frontline services and keeping cost increases to a minimum."

3.3 Consequently, respondents were presented with a further eight proposed approaches to savings and asked if they supported, each, or should they not support those proposals, which alternatives could they provide (If you do not support this proposal, please can you explain why, and do you have an alternative proposal?).

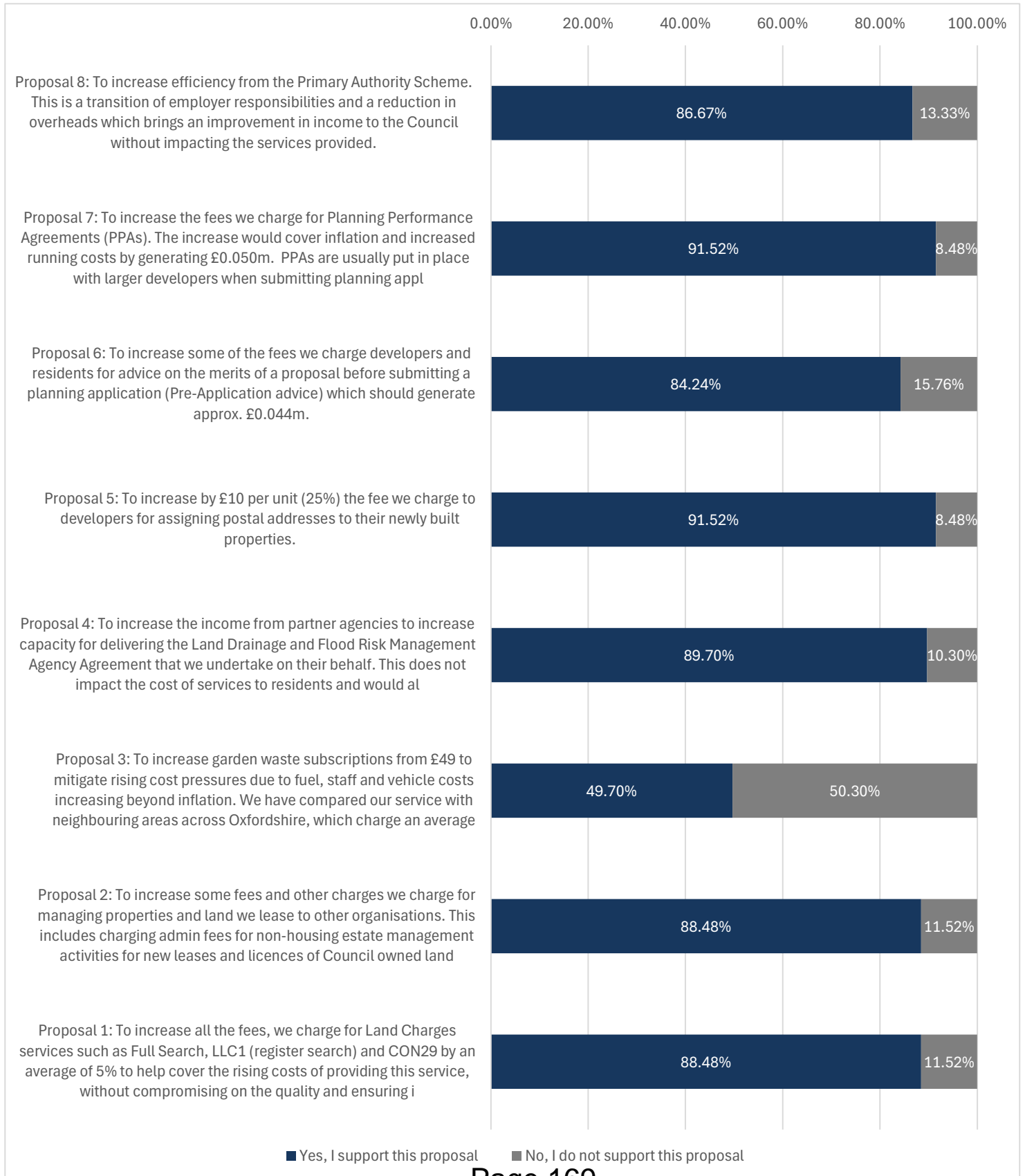
3.4 To demonstrate these alternative responses across those eight proposals, a comprehensive chart, listing the most significant mentions, was set up in this document to demonstrate impact regarding view of respondents while offering their reasons and/or suggestions.

3.5 The highest scoring proposal was proposal seven, related to Planning Performance Agreements (PPAs), to increase fees and charges, to cover inflation and increased running costs, able to generate up to £0.050m. The support or approval rate reaching 91.52%, a score also shared with the proposal to increase by



£10 per unit (25%) the fee we charge to developers for assigning postal addresses to their newly built properties.

3.6 The lowest scoring proposal, related to the increase of garden waste subscriptions from £49 to mitigate rising cost pressures due to fuel, staff and vehicle costs increasing beyond inflation. Only achieve an overall support of 49.70%, less than half of the overall participation, and, historically, the most common item to encounter engagement resistance towards support or acceptance.



As mentioned in item 3.4, respondents who answered “no, I do not support this proposal” were able to disclose their reasons for each proposal, and/or an alternative solution to the proposals given, and these have been summarised below:

**Proposal 1:**

'To increase all the fees, we charge for Land Charges services such as Full Search, LLC1 (register search) and CON29 by an average of 5% to help cover the rising costs of providing this service, without compromising on the quality and ensuring it remains financially viable over time'.

Comments (with 17 valid entries, of which)	Mentions
Too much/too expensive	9
Simply no	2
Compromises other aspects	4
Affects production or effectiveness	2
Must follow inflation	3
Unclear/ unsure/ not enough details	1

With expenses and compromising other areas of service as the main drivers of disapproval.

**Proposal 2:**

'To increase some fees and other charges we charge for managing properties and land we lease to other organisations. This includes charging admin fees for non-housing estate management activities for new leases and licences of Council owned land and property leased to other organisations, along with licences to assign, licences for alterations and disposals following industry best practice. Providing a potential income stream of £0.05m for 2025/26'.

Comment (with 16 valid entries, of which)	Mentions
Too much/Too expensive	4
Simply no	2
Needs more incentives	2
Unclear/ unknown/ not detailed	5
Must follow inflation	2
As long as it does not affect something else	4

With lack of clarity, expenses and fear to affect something else within the service as the main drivers of disapproval.

**Proposal 3:**

'To increase garden waste subscriptions from £49 to mitigate rising cost pressures due to fuel, staff and vehicle costs increasing beyond inflation. We have compared our service with neighbouring areas across Oxfordshire, which charge an average of £65 for 2024/25. We would like your views on what would be a reasonable increase to support the running of the service”. With choices at £55, £59, or “Do not Support”.

Comment (with 74 valid entries, of which)	Mentions
Too much/too expensive/ less people will pay/pull out	31
Simply no	6
Unclear/ unknown/ not detailed	3
Must follow inflation	6
Affects other aspects	24
Mismanagement	5
Why should I pay	19

With expenses and compromising other areas of service as the main drivers of disapproval.

**Proposal 4:**

'To increase the income from partner agencies to increase capacity for delivering the Land Drainage and Flood Risk Management Agency Agreement that we undertake on their behalf. This does not impact the cost of services to residents and would allow the council to better resource responses to flood impacts. It would bring in a potential new income of £0.008m during 2025/26.'

Comment (with 20 valid entries, of which)	Mentions
Simply no	2
Unclear/ unknown/ not detailed	2
As long as it does not affect something else	1
Mismanagement	13

With mismanagement concerns as the main driver of disapproval.

**Proposal 5:**

'To increase by £10 per unit (25%) the fee we charge to developers for assigning postal addresses to their newly built properties'.

Comment (with 17 valid entries, of which)	Mentions
Too much/too expensive/ less people will pay	2
Simply no	2
Must follow inflation	1
Will be passed on	2

With costs concerns as the main driver of disapproval.

**Proposal 6:**

'To increase some of the fees we charge developers and residents for advice on the merits of a proposal before submitting a planning application (Pre-Application advice) which should generate approx. £0.044m'.

Comment (with 24 valid entries, of which)	Mentions
Simply no	3
Affects other aspects	8
Mismanagement	9

With mismanagement concerns and fear to affect something else within the service as the main drivers of disapproval.

**Proposal 7:**

'To increase the fees, we charge for Planning Performance Agreements (PPAs). The increase would cover inflation and increased running costs by generating £0.050m. PPAs are usually put in place with larger developers when submitting planning applications to assist the process'.

Comment (with 13 valid entries, of which)	Mentions
unclear/ unknown/ not detailed	2
Affects other aspects	2
mismanagement	3
why should I pay	1

With mismanagement concerns and fear to affect something else within the service, and lack of clarity as the main drivers of disapproval.

**Proposal 8:**

'To increase efficiency from the Primary Authority Scheme. This is a transition of employer responsibilities

and a reduction in overheads which brings an improvement in income to the Council without impacting the services provided'.

Comment (with 20 valid entries, of which)	Mentions
Simply no	1
Unclear/ unknown/ not detailed	14
Affects other aspects	2
Mismanagement	1

With lack of clarity as the main driver of disapproval, and all comments are available on request.

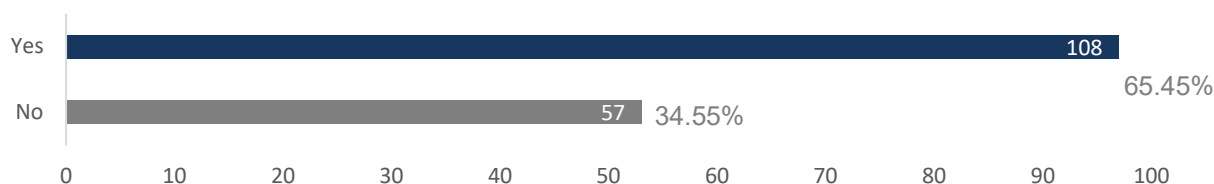
#### 4. Proposed council tax increase

4.1 In this section of the survey, respondents were informed that, in 2025/26, Cherwell District Council proposed £5 increase which would work at less than 10p per week for an average band D property, remaining in line with the maximum increase the government will currently allow. Respondents answered whether they would be prepared to support this proposed increase or not and, if not, to provide with an alternative proposal.

4.2 Of the total **165** respondents, where over 65% (108) said yes, they were prepared to support the proposed council tax increase, whilst over 34% (57 respondents) said no.

4.3 The chart below, shows the approval proportion (responding yes) higher than the disapproval proportion (responding no), to the council tax increase:

Chart 5: Would you be prepared to support the proposed council tax increase? (All respondents)



4.4 Focusing specifically on Cherwell residents which responded 'no' to the council tax increase, just over 34% (57 respondents), saying they were not prepared to support the proposal, alternatively, offering their reasons for not supporting the proposal as:

Comment (with 46 valid entries, of which)	Mentions
Too much/too expensive/ less people will pay/pull out	17
Simply no	7
Unclear/ unknown/ not detailed	2
Must follow inflation	4
Affects other aspects	2
Mismanagement	14
Why should I pay	5

With cost, simply no agreement of the proposal, the sense that charges need to follow inflation and lack of clarity as the main drivers of disapproval.

#### 5. Proposed Fees and Charges increase.

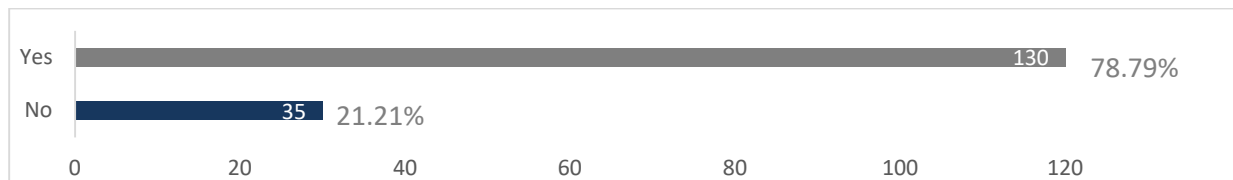
5.1 Respondents were informed, that "to ensure and maintain a balanced budget while continuing to provide and improve services, we need to review our fees and charges. Most fees will increase by 2% to match inflation; however, we are considering higher increases in some fees. We are also reviewing our

income sources where there's potential to generate more funding".

5.2 Of the total 165 survey respondents, **78.79%** (130) said yes, they were prepared to support the proposed efficiencies, whereas **21.21%** (35) of respondents said no.

5.3 The chart below, shows the approval proportion (responding yes) higher than the disapproval proportion (responding no), to the proposed increases:

**Chart 6: Would you be prepared to support the proposed efficiencies? (All respondents)**



5.4 Focusing specifically on Cherwell residents which responded 'no', just over 21% (35) respondents), to the proposed efficiencies, and having a closer look at the reasons given by them:

Comment (with 9 valid entries, of which)	Mentions
Electric cars cost	3
Why or how would it improve?	3
Curb glass collection	1
Contractors	1
Computer upgrades	1
Housing	1

With electric cars cost, and lack of clarity as the main drivers of disapproval.

## 6. Final comments on the council's budget proposals

6.1 All survey respondents had the opportunity to add final comments, on our budget proposals. Some respondents used this opportunity to make general comments.

6.2 From all respondents **only 10.9%** (18), added valid final comments to their survey regarding budget, with below summary of most common themes that emerged:

Comment	Mentions
Suggestion does not justify increase	2
Services need to change approach	2
Time elapsed for charges does not reflect real life problems	4
Proposed increases are not affordable	6
Charges should be set up earlier	3
Not enough information	1
Other	3

With affordability, time set up not aligning with real life problems, and lack of clarity as the main drivers of disapproval.

## 7. Overall take aways:

Based on the comments, we can offer a breakdown of main concerns raised within respondent's overall comments:

- Services do not justify increases, within the concerns expressed, some attention was given to new housing not contributing to better services and actual inefficiency of existing services (e.g., waste collection, traffic management), and several comments focus on the ineffectiveness of services versus costs (e.g., citing poor road conditions and waste collection, as main points of contention).
- Respondents feel they are taxed enough already, with many, feeling overtaxed without a corresponding service improvement, or is delivered satisfactorily, particularly regarding housing with numerous references found citing the heavy tax burden, especially considering rising housing density, and the real-life struggles such as probates time elapsed to resolve empty houses or simply time taken to sell an empty house, currently.
- Respondents do consider proposed increases not affordable, expressing real concern regarding new taxes or fees associated with service improvements, and many comments express doubt about the feasibility of some if not all proposed budget increases.
- Suggestions have been made to reduce wasteful spending, but there is no clear path to what that would intel, however, suggestions have been made particularly on management, traffic schemes, and administrative costs, with recommendations emphasizing cutting costs and eliminating inefficient practices, which is already part of the proposal, but not within the level of acceptance of some respondents.
- Respondents instead suggested on calls for increased transparency regarding budget allocations and operational efficiencies, particularly for clearer financial reporting and accountability.
- There is a considerable frustration with traffic Management and infrastructure, such as traffic schemes, road maintenance, and the strain on local infrastructure due to new housing. Many residents argue for more effective solutions instead of temporary fixes.
- And there is a strong overall sense that the council need to reduce business rates and support local businesses, particularly local retailers and hospitality entities facing hardships.
- Regarding waste management and recycling, most residents are pushing for improved recycling options, particularly pavement glass collection, reflecting an increased concern about waste management effectiveness, lack of satisfactory standard and costs.
- Respondents frequently mention perceived council inefficiencies in operations and call for review of staffing, especially regarding interim managers and administrative roles.
- And, finally, respondents emphasise the necessity for support in traffic management, waste collection, and healthcare services, indicating that these essential services are declining while costs are rising.

## **8. Proposed vision and strategy feedback**

The new vision, "A modern council inspiring and enabling positive, lasting change," received approval from two-thirds (66%) of respondents. Among the priorities, "Environmental Stewardship" garnered the highest support at 86%, while "Economic Prosperity" received the lowest support at 71%.

A table summarises the feedback from 165 participants, detailing support levels, rejections, and comments for each priority.

Priority/Goals	Support	Reject	Support %	Reject %	Open comments' summary
<b>Priority 1 Economic prosperity –</b> Reported an average approval rate of <b>83%</b>					
prosperity. To create vibrant economic centres and thriving rural villages.	132	33	80%	20%	<ol style="list-style-type: none"> <li>1. Create small business supportive initiatives.</li> <li>2. Ensure communities benefit from developments.</li> <li>3. Streamlining processes, minimising planning bureaucracy.</li> <li>4. Create and implement responsible housing density policies.</li> <li>5. Better infrastructure for investment.</li> </ol>
To build an inclusive and green economy.	117	48	71%	29%	<ol style="list-style-type: none"> <li>1. The need for improved transport and transport system.</li> <li>2. A renewed and sensible planning process.</li> <li>3. Balance between environment and economy.</li> <li>4. Enhanced community support and improved integration.</li> <li>5. Stop bureaucracy that hinder timely decision-making.</li> </ol>
<b>Priority 2 Community Leadership –</b> Reported an average approval rate of <b>78%</b>					
To strengthen community collaboration and resilience.	132	33	80%	20%	<ol style="list-style-type: none"> <li>1. Clearer communication.</li> <li>2. Balancing growth with support.</li> <li>3. Defining responsibilities.</li> <li>4. Focus on resident understandable council delivered outcomes.</li> <li>5. Encouraging more community engagement</li> </ol>
To promote health and wellbeing with a focus on inequality.	125	40	76%	24%	<ol style="list-style-type: none"> <li>1. To have immediate attention to healthcare accessibility which is critical.</li> <li>2. Ensure that all community members needs are considered.</li> <li>3. Re-evaluation of Local Authority Roles.</li> <li>4. Pragmatic solutions (realistic and achievable).</li> <li>5. Promoting Community Cohesion.</li> </ol>
<b>Priority 3 Environmental Stewardship –</b> Reported an average approval rate of <b>83%</b>					
To safeguard the environment and promote biodiversity.	131	34	79%	21%	<ol style="list-style-type: none"> <li>1. Push for Sustainable Development</li> <li>2. Community-centred focused housing.</li> <li>3. Attention to Infrastructure.</li> <li>4. Realistic recognition of agricultural land importance.</li> <li>5. Avoid red tape</li> </ol>
To promote the circular economy of reduce, reuse and recycle to minimise waste.	142	23	86%	14%	<ol style="list-style-type: none"> <li>1. Make recycling cost-effective.</li> <li>2. Enhance accessibility.</li> <li>3. Create consistent recycling programs.</li> <li>4. Evaluate Fee Structures.</li> <li>5. Address broader environmental context.</li> </ol>
<b>Priority 4 Quality housing and Place Making –</b> Reported an average approval rate of <b>83%</b>					
To deliver sustainable and strategic development that meets Cherwell's needs now, and in the future.	138	27	84%	16%	<ol style="list-style-type: none"> <li>1. Prioritise infrastructure.</li> <li>2. Ensure developer accountability.</li> <li>3. Increase affordable housing options.</li> <li>4. Emphasise sustainable practices.</li> <li>5. Reinvigorate town centres.</li> </ol>
To achieve more high-quality, secure, and affordable housing that caters for the diverse needs of our residents.	135	30	82%	18%	<ol style="list-style-type: none"> <li>1. Limit overdevelopment.</li> <li>2. Focus on council housing.</li> <li>3. Re-think affordable housing definitions.</li> <li>4. Protect green belts.</li> <li>5. Balance environment and safety.</li> </ol>

## 9. Vision and strategy take aways

The respondents who disagreed with the proposed aims were asked to offer an alternative suggestion. Several critical concerns and expectations were raised regarding local governance, particularly relating to housing, infrastructure, community engagement, and environmental sustainability, these have been grouped in overarching themes and proposed actions as per below:

1. The need for a clearer and more effective council-resident communication, by:
  - Simplifying language in council communications to enhance understanding and foster trust.
  - Ensuring proposals are detailed, in a way common people can understand and asses, with specific, measurable outcomes that residents can evaluate.
  
2. Update the community-centered approach.
  - Residents expressed their desire for greater involvement in shaping policies that affect their lives, and this includes more workshops, public forums, and avenues for feedback to ensure that community voices influence decision-making, more recurrent and more often.
  - Addressing inequalities and ensure all community members feel represented and included.
  
3. Infrastructure and supporting services must be a Priority.
  - Ensuring infrastructure such as healthcare, transport, and education facilities are keeping up the pace with housing developments to prevent service strain and community dissatisfaction.
  - Encourage engagement in a meaningful, responsive, minded towards investment vs benefits to residents' way, to address current infrastructure deficits before approving further developments.
  
4. Sustainable development and environmental considerations.
  - Respondents expressed their desire to have the council incorporate clear sustainability standards into new housing projects to preserve green spaces and ensure ecological balance.
  - Address environmental policies with equal consideration to social needs, ensuring that ecological initiatives do not inadvertently marginalise community concerns.
  
5. Support for local businesses and create economic viability.
  - Develop initiatives to support small businesses, including tax breaks and reduced bureaucratic burdens to foster economic growth and community vitality.
  - Recognise the importance of businesses as partners in economic development rather than mere revenue sources.
  
6. Create a balanced approach to housing.
  - To ensure the construction of various housing types, including high-quality affordable and council housing, to meet diverse community needs.
  - Rethink definitions of "affordable housing" to align with residents' realities, making it more accessible for average earners.
  
7. Streamlining bureaucratic processes.
  - Simplifying planning and development procedures, by reducing red tape, enabling a more responsive and efficient governance model that supports local initiatives.
  - Regularly review and adjust regulatory measures to avoid unnecessary hindrances to community projects.



8. Enhanced social support systems.

- The main interest here is to address pressing social challenges, including homelessness and community integration, through dedicated initiatives that offer tangible support.
- And create an environment where it is possible to foster a strong community spirit by promoting engagement and cohesion, especially amidst new developments.

9. Transparency and Accountability.

- Also previously mentioned, but also related to establishing regular, systematic, and inclusive updates, with and having accountability mechanisms regarding how taxpayer money is spent and how proposed changes are implemented.
- Create a way to involve residents into the monitoring progress, so they can also celebrate successes, build trust, and ensure alignment with community goals.

10. Encourage and act towards initiative-taking healthcare improvements.:

- Focusing on enhancing the availability and quality of local healthcare services, including GP access, to meet growing community demands, especially with population increases.

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Gross Budget, Income, Net Budget and Future Years MTFs Changes by Directorate

Appendix 11

	Gross Expenditure	Gross Income	Total	Net Change to	Net Change to	Net Change to	Net Change to	Net Budget at end of Period
Directorate	2025/26	2025/26	2025/26	2026/27	2027/28	2028/29	2029/30	
	£m	£m	£m	£m	£m	£m	£m	£m
Communities	29.939	(17.818)	12.120	(0.045)	(0.079)	(0.015)	(0.015)	11.966
Resources	43.969	(36.441)	7.528	(0.163)	(0.026)	(0.090)	(0.100)	7.149
<b>Service Sub-Total</b>	<b>73.908</b>	<b>(54.260)</b>	<b>19.648</b>	<b>(0.208)</b>	<b>(0.105)</b>	<b>(0.105)</b>	<b>(0.115)</b>	<b>19.115</b>
Corporate Costs	14.246	(10.319)	3.926	1.700	1.163	1.314	0.324	8.427
Policy Contingency	2.620	0.000	2.620	0.461	0.799	0.799	0.799	5.478
<b>Cost of Services</b>	<b>90.773</b>	<b>(64.579)</b>	<b>26.194</b>	<b>1.953</b>	<b>1.857</b>	<b>2.008</b>	<b>1.008</b>	<b>33.020</b>
Council Tax	0.000	(9.903)	(9.903)	(0.041)	(0.440)	(0.452)	0.000	(10.836)
Business Rates	42.906	(57.894)	(14.988)	2.354	3.433	3.458	(0.071)	(5.814)
New Homes Bonus	0.000	(0.935)	(0.935)	0.312	0.312	0.311	0.000	(0.000)
Revenue Support Grant	0.000	(0.368)	(0.368)	0.368	0.000	0.000	0.000	0.000
<b>Funding Sub-total</b>	<b>42.906</b>	<b>(69.100)</b>	<b>(26.194)</b>	<b>2.993</b>	<b>3.305</b>	<b>3.317</b>	<b>(0.071)</b>	<b>(16.650)</b>
<b>Total</b>	<b>133.679</b>	<b>(133.679)</b>	<b>(0.000)</b>	<b>4.946</b>	<b>5.162</b>	<b>5.325</b>	<b>0.937</b>	<b>16.370</b>

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**Appendix 12 - Budget Book**

Directorate	Service	Division	Gross Expenditure £m	Gross Income £m	Net Expenditure / (Income) £m	
<b>Communities</b>	<b>Wellbeing &amp; Housing</b>	Communities	1.278	(0.127)	1.151	
		AD Wellbeing and Housing	0.120	-	0.120	
		Strategic Housing	1.067	(1.093)	(0.026)	
		Healthy Place Shaping	0.244	(0.040)	0.204	
		Leisure	0.481	(0.263)	0.218	
		Sport	1.392	(1.585)	(0.193)	
		Housing Needs	1.483	(0.183)	1.300	
		Affordable Rents	0.179	(1.319)	(1.140)	
		Private Sector Housing	0.585	(0.224)	0.362	
		Shared Ownership	0.292	(0.437)	(0.145)	
		Refugee Resettlement	0.898	(0.898)	-	
		<b>Wellbeing &amp; Housing Total</b>	<b>8.020</b>	<b>(6.169)</b>	<b>1.851</b>	
	<b>Environmental</b>	Environment and Waste	0.337	-	0.337	
		Landscaping	2.043	(0.940)	1.104	
		Street Cleansing	2.052	(0.692)	1.360	
		Vehicle Maintenance and MOTs	1.323	(1.255)	0.068	
		Waste and Recycling	7.566	(4.294)	3.271	
		Climate Change	0.180	-	0.180	
		<b>Environmental Total</b>	<b>13.501</b>	<b>(7.181)</b>	<b>6.320</b>	
	<b>Growth &amp; Economy</b>	AD Econ Regen	0.123	-	0.123	
		Bicester Regen Programme	0.348	(0.315)	0.033	
		Economic Dev	0.654	(0.335)	0.319	
		Banbury Regeneration	0.164	(0.125)	0.039	
		Kidlington Masterplan	0.095	-	0.095	
		<b>Growth &amp; Economy Total</b>	<b>1.384</b>	<b>(0.775)</b>	<b>0.609</b>	
	<b>Planning &amp; Development</b>	Building Control	0.571	(0.480)	0.091	
		Conservation	0.418	-	0.418	
Development Control		2.916	(2.621)	0.295		
Planning Policy		1.305	-	1.305		
<b>Planning &amp; Development Total</b>		<b>5.210</b>	<b>(3.101)</b>	<b>2.109</b>		
<b>Regulatory</b>	Enforcement	0.330	(0.032)	0.298		
	Environment Health Licensing	1.267	(0.184)	1.084		
	Licensing	0.228	(0.377)	(0.149)		
	<b>Regulatory Total</b>	<b>1.825</b>	<b>(0.593)</b>	<b>1.232</b>		
<b>Communities Total</b>			<b>29.939</b>	<b>(17.818)</b>	<b>12.120</b>	
<b>Resources</b>	<b>HR &amp; OD</b>	HR OD & Payroll	1.315	(0.457)	0.857	
		<b>HR &amp; OD Total</b>	<b>1.315</b>	<b>(0.457)</b>	<b>0.857</b>	
	<b>Customer Focus</b>	Contact Centre Services	1.478	-	1.478	
		Land Charges	0.120	(0.254)	(0.134)	
		Insight & Corporate Progs	1.156	(0.656)	0.500	
		Strategy	0.401	-	0.401	
		Assistant Director	0.119	-	0.119	
		Communications & Media	0.401	-	0.401	
		<b>Customer Focus Total</b>	<b>3.675</b>	<b>(0.910)</b>	<b>2.765</b>	
	<b>Finance</b>	Finance	2.660	(0.075)	2.586	
		Fraud Team	0.069	-	0.069	
		Revenue and Benefits	27.147	(26.308)	0.839	
		<b>Finance Total</b>	<b>29.876</b>	<b>(26.383)</b>	<b>3.494</b>	
	<b>Legal &amp; Democratic</b>	Civic Ceremonies	0.003	-	0.003	
		Democratic	0.775	-	0.775	
		Elections	0.340	(0.007)	0.333	
		Legal	1.482	(0.075)	1.407	
		<b>Legal &amp; Democratic Total</b>	<b>2.600</b>	<b>(0.082)</b>	<b>2.518</b>	
	<b>Digital &amp; Innovation</b>	Information Technology - Revenue	-	-	-	
		Information Technology - Revenue: Infrastructur	1.635	(0.060)	1.575	
		<b>Digital &amp; Innovation Total</b>	<b>1.635</b>	<b>(0.060)</b>	<b>1.575</b>	
	<b>Property</b>	Property	3.313	(4.641)	(1.327)	
		Castle Quay Development	1.555	(3.908)	(2.353)	
		<b>Property Total</b>	<b>4.868</b>	<b>(8.549)</b>	<b>(3.681)</b>	
	<b>Resources Total</b>			<b>43.969</b>	<b>(36.441)</b>	<b>7.528</b>
	<b>Services Sub-total</b>			<b>73.908</b>	<b>(54.260)</b>	<b>19.648</b>
	<b>Corporate Costs</b>	Corporate Costs	Corporate Costs	14.246	(10.319)	3.926
<b>Corporate Costs Total</b>			<b>14.246</b>	<b>(10.319)</b>	<b>3.926</b>	
<b>Corporate Costs Total</b>		<b>14.246</b>	<b>(10.319)</b>	<b>3.926</b>		
<b>Policy Contingency</b>	Policy Contingency	Policy Contingency	2.620	-	2.620	
		<b>Policy Contingency Total</b>	<b>2.620</b>	<b>-</b>	<b>2.620</b>	
	<b>Policy Contingency Total</b>	<b>2.620</b>	<b>-</b>	<b>2.620</b>		
<b>Net Cost of Services</b>			<b>90.773</b>	<b>(64.579)</b>	<b>26.194</b>	

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## Appendix 13 - Government Grants

Directorate	Grant Name	£m
Communities	Afghan Relocations and Assistance Policy	(0.244)
	Asylum Accommodation Dispersal	(0.029)
	Homeless Prevention Grant	(0.763)
	Syrian Resettlement Scheme	(0.183)
	Homes for Ukraine	(0.417)
	UK Shared Prosperity Fund	(0.335)
	<b>Communities Total</b>	<b>(1.972)</b>
Resources	NNDR Cost of Collection Allowance	(0.231)
	Rent Allowances	(25.004)
	<b>Resources Total</b>	<b>(25.235)</b>
<b>Services Sub-total</b>		<b>(27.207)</b>
Corporate	Extended Producer Responsibility	(1.400)
	Funding Floor	(3.400)
	National Insurance Contribution Compensation	(0.258)
	<b>Corporate Total</b>	<b>(5.058)</b>
<b>Cost of Services total</b>		<b>(32.265)</b>
Funding	Business Rates Retained Scheme	(7.490)
	New Homes Bonus	(0.935)
	Revenue Support Grant	(0.368)
	<b>Funding Total</b>	<b>(8.793)</b>
<b>Government Grants Total</b>		<b>(41.058)</b>

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**DOCUMENT CONTROL**

<b>Organisation(s)</b>	Cherwell District Council (CDC)
<b>Policy title</b>	Reserves Policy
<b>Owner</b>	Finance
<b>Date of implementation</b>	February 2020

**DOCUMENT APPROVALS**

This document requires the following committee approvals:

<b>Committee</b>	<b>Date of meeting pending approval</b>
Executive	09 September 2024

**DOCUMENT DISTRIBUTION**

This document will be available on the Finance intranet page.

**DATE FOR REVIEW**

No later than 31 March annually but sooner if required.

**REVISION HISTORY**

<b>Version</b>	<b>Revision date</b>	<b>Summary of revision</b>
2.0	05 July 2023	Addition of section 6.2
2.1	09 September 2024	Amendment of section 6.1 to delegate authority of use of capital receipts reserve to the S151 officer

## **CHERWELL DISTRICT COUNCIL RESERVES POLICY**

### **1. Background**

- 1.1. The purpose of this policy is to set out how Cherwell District Council (CDC) will determine and review its overall level of reserves and how it uses them.
- 1.2. Sections 31A and 42A of the Local Government Finance Act 1992 require authorities to have regard to the level of balances and reserves needed for meeting estimated future expenditure when calculating the council tax requirement.
- 1.3. CDC has usable reserves and unusable reserves on its Balance Sheet. The unusable reserves are as a result of accounting adjustments and are not therefore available to spend. This policy will concentrate on usable reserves.

### **2. General Policy**

- 2.1. Usable reserves can be split into the following categories:
  - General Balances
  - Earmarked Reserves
  - Revenue Grant Related Reserves
  - Capital Reserves
- 2.2. CDC maintains usable reserves primarily for the following reasons:
  - The need to put aside sums in case of unexpected or unplanned events or emergencies.
  - To smooth out the impact of payments on the revenue account
  - To cover timing differences such as grant money received in any given year where expenditure takes place in a later year
  - To provide pump prime funding for projects to deliver changes in working practices on an invest to save basis. Any approved use on this basis must include an agreed repayment plan
  - A means of building up funds to meet known or predicted liabilities
- 2.3. Reserves can only be used on a one-off basis which means that their application does not offer a permanent solution to delivering savings or reductions in the level of expenditure.

### **3. Usable Reserves**

#### **3.1. General Balances**

- 3.1.1. These are funds that do not have restrictions as to their use. CDC can use them for any purpose within the General Fund. The purpose of general

reserves is to manage the impact of exceptional emergencies and unforeseen events. Without such reserves the potential financial impact of these unforeseen events could cause a financial deficit in the General Fund, which would be severely disruptive to the effective operation of the authority.

### 3.2. Earmarked Reserves

3.2.1. Earmarked Reserves enable CDC to set aside sums to meet specific future anticipated liabilities. Funds could be set aside for items such as (but not limited to):

- cyclical maintenance,
- cyclical events such as elections,
- income generated that must be spent on specific purposes,
- managing market volatility (e.g. commercial rent)
- insurance.

3.2.2. Earmarked reserves should not be held for a sustained period of time as they are held for a specific purpose<sup>1</sup>. Where earmarked reserves are no longer required for their original purpose or are not expected to be spent over the medium term they should be reviewed and a decision made on using for alternative purposes.

3.2.3. In line with financial regulations, where a service has generated a service underspend as part of its day to day running, this should not be requested to be set aside as an earmarked reserve without a specific purpose; it should contribute to the overall benefit of CDC's financial position and the achievement of its corporate objectives.

3.2.4. The request to use earmarked reserves, create new earmarked reserves or contribute to existing earmarked reserves (where not approved as part of the budget) must be approved by the Executive. The allocation of Earmarked Reserves will be made when services can demonstrate that the funding is required for that particular purpose.

### 3.3. Revenue Grant Related Reserves

3.3.1. These reserves relate to the unused element of grant support for which the conditions of the grant are expected to be met. The reserves will be used to meet future years' expenditure for the service for which the grant was awarded. These reserves are managed by Directors.

3.3.2. CDC holds various Section 106 reserves which were contributed by private companies to improve the local community. The fund must be used for the specific scheme and within the agreed timescale. If funds are not used they need to be returned back to the contributors.

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<sup>1</sup> with the exception of insurance reserves held to manage risk for which it is difficult to forecast when they will be called upon

3.3.3. Use of these reserves should be planned as part of the budget setting process. Use of these reserves during the financial year requires approval by the Section 151 Officer.

3.4. Capital Reserves:

3.4.1. These are reserves that have been set aside to finance capital schemes and cannot be used to support revenue expenditure without the consent of the Secretary of State for Local Government. These reserves comprise:

- Capital Receipts Reserve reflects the income received from the disposal of capital assets prior to being used to fund future capital expenditure or for the redemption of debt. Capital receipts cannot be used to fund revenue expenditure except where allowed by statute. CDC will allocate resources from the Capital Receipts Reserve in line with its priorities
- Capital Grants Unapplied reflects the unused element of capital grants or capital contributions awarded to CDC, for which the conditions of the grant support are expected to be met or for which there are no conditions. The reserve will be used to meet future years' capital expenditure in a way which best fits with CDC's priorities.

**4. Determining the Level of General Balances and Earmarked Reserves**

- 4.1. CDC must maintain sufficient general balances and earmarked reserves to cover the key financial risks and contingencies.
- 4.2. Section 25 of the Local Government Finance Act 2003 requires that when a local authority is agreeing its annual budget and council tax precept, the Chief Finance Officer must report on the adequacy of the proposed financial reserves
- 4.3. As part of the budget setting process the Section 151 Officer will consider and assess the level of general balances and earmarked reserves. Consideration will be given to the strategic, operational and financial risks facing CDC.
- 4.4. Major factors to be considered when evaluating the level of general balances and earmarked reserves, include but are not limited to the following:

Budget Assumptions	Issues to Consider
Inflation and interest rate volatility	The overall financial standing of CDC
Scale of budget gap over the medium term	The trend of CDC's financial management and the robustness of the MTFS – i.e. is it balanced over the medium term and delivered annually?

Savings delivery	Size, scale, complexity and pace of the savings programme and risks around slippage or non-delivery.
The availability of other funds to deal with major contingencies and the adequacy of provisions	The adequacy of CDC's arrangements to cover major unforeseen risks.
Income streams	Volatility in levels of income
Government funding	Political landscape and approach to allocating funding across local government

### 5. Governance and Review

- 5.1. The Council recognises the need to hold and maintain adequate reserves that meet the needs of the organisation. However, there is an opportunity cost as a result of the Council allocating resources away from other potential uses. It is therefore essential for the Section 151 Officer to regularly review the purpose and level of reserves.
- 5.2. All anticipated use of reserves should be understood and recognised as part of the budget setting process and agreed when Council approves the budget.
- 5.3. Any identified use of, or contribution to, reserves after the budget has been set should be approved by the Executive, or the Section 151 Officer in the case of grant reserves, prior to the budget being changed. Uses should be for specific purposes for which reserves have been set aside and not to address savings non-delivery or budget pressures. Contributions to reserves should be for specific costs expected to be incurred in the future.
- 5.4. The reserves position is reported quarterly as part of the revenue monitoring process. The planned usage of reserves is also included as part of the budget setting process. In addition the level and use of reserves is reported and reviewed during the closedown process.
- 5.5. The reserves policy will be reviewed annually as part of the budget setting process.

### 6. Use of Reserves Approval

- 6.1. Table 1 below shows the level of approval required to use or contribute to usable reserves.

Table 1 Level of approval required for requested use of or contribution to reserves

Type of Reserves	Level of Approval Required*
General Reserves and Balances	Executive
Earmarked Reserves	Executive
Revenue and Capital Grant Related Reserves	Section 151 Officer
Capital Receipts Reserves	Section 151 Officer**

\* Unless previously approved by Full Council as part of approval of the budget

\*\* If the Section 151 officer feels there is benefit to using the flexible use of capital receipts direction to fund revenue costs then in line with the statutory guidance a flexible use of capital receipts strategy will be taken to full council for approval.

- 6.2 The current trend for external audits to extend beyond the end of the next financial accounting year can result in changes to the accounts which could have an impact on useable reserves. Therefore, for changes to and from useable reserves which come about as a result of external audit following the submission of the annual outturn report, the Section 151 Officer will have delegated authority, in consultation with the Portfolio Holder for Finance, to manage the impact on useable reserves of such changes to ensure the long-term resilience of the Council. Any such changes made under this delegated power will be reported to the Executive when the audit is complete.

## Appendix 15 - General Balances Risk Assessment

Risk	Mitigation	Likelihood	Probability Weighted potential impact
Business Rates Appeals being 1% Greater than current assumptions	Provision has been made for a prudent level of appeals.	15%	0.420
Business Rates Growth Forecasts optimistic	Business rates forecast based on latest intelligence of businesses included on the ratings list.	25%	0.098
Council Tax growth forecasts optimistic	Council tax forecasts are based on Land Supply Data from Planning.	25%	0.000
Council Tax Support Claimants greater than budgeted	The taxbase projections have assumed the current level of CTS claimants continues.	25%	0.042
Outcome of the Government Fair Funding Review	The outcome may not be in line with current financial planning assumptions of neutral in real terms. There is potential for both improvements and deterioration. But not expected to take place until 2025/26 at the earliest.	80%	3.440
Inflation runs at higher than rate assumed in MTFS	Budget assumes inflationary impacts.	25%	0.022
Pay Inflation runs at 1% higher than rate assumed	Budget assumes inflationary impact of pay award.	25%	0.085
1% unbudgeted rise in short-term and long-term interest rates	The Council has factored in to the budget prudent assumptions about interest rates at which it will borrow in 2024/25.	50%	0.200
Delivering the savings programme and identifying future savings	The Council has scrutinised the savings proposals included within the budget, but anticipate having to identify significant savings in the medium term.	25%	1.475
Commercial Risk	Regular reviews take place of the Council's commercial interests and the latest estimates have been used when setting the budget.	25%	1.000
Loans, Guarantees and Bonds	Regular reviews take place with the companies that loans and guarantess are given to in order to ensure that they are on a stable financial footing.	1%	1.030
Exceeding the 5% Partial Exemption VAT limit	VAT Returns are carried out monthly to HMRC and the VAT position monitored appropriately.	10%	0.040
<b>TOTAL</b>			<b>7.852</b>

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**Appendix 16 - Forecast use of earmarked reserves**

	Actual Balance 1 April 2024	Forecast Transfer FROM/ (TO) reserves	S151 Review of Reserves	Forecast Balance 1 April 2025	2025/26	2026/27	2027/28	2028/29	2029/30	Expected Balance 1 April 2030
General Balances	(6.153)	0.000	(1.700)	(7.853)	0.000	0.000	0.000	0.000	0.000	(7.853)
Earmarked Reserves	(28.325)	(2.224)	1.700	(28.848)	(2.633)	(0.399)	(0.449)	(0.449)	(0.449)	(33.227)
Revenue Grants	(2.552)	1.272	0.000	(1.280)	0.523	0.007	0.007	0.007	0.007	(0.730)
<b>Total Revenue Reserves</b>	<b>(37.029)</b>	<b>(0.952)</b>	<b>(0.000)</b>	<b>(37.981)</b>	<b>(2.110)</b>	<b>(0.392)</b>	<b>(0.442)</b>	<b>(0.442)</b>	<b>(0.442)</b>	<b>(41.810)</b>
Capital Reserves	(6.293)	0.345	0.000	(5.948)	0.720	3.355	0.000	0.000	0.000	(1.873)
<b>TOTAL RESERVES</b>	<b>(43.322)</b>	<b>(0.606)</b>	<b>(0.000)</b>	<b>(43.929)</b>	<b>(1.390)</b>	<b>2.963</b>	<b>(0.442)</b>	<b>(0.442)</b>	<b>(0.442)</b>	<b>(43.683)</b>

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Directorate	Service	Funding Source	Strategic Priority	Detail	Expenditure (£m)							Total
					2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	Future Years	
					£m	£m	£m	£m	£m	£m	£m	
Resources - Capital	ICT - Capital Borrowing	Running the Business	ESRI Software Upgrade		0.030							0.030
<b>Grand Total</b>					-	<b>0.030</b>	-	-	-	-	-	<b>0.030</b>

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Strategic Priority	Expenditure (£m)						Total Expenditure	Financing (£m)						Total Borrowing (£m)	
	2025/26	2026/27	2027/28	2028/29	2029/30	Future Years		2025/26	2026/27	2027/28	2028/29	2029/30	Future Years		Total Financing
Community Leadership	0.920	1.679	1.154	0.000	0.000	0.000	3.753	(0.841)	(1.568)	(1.154)	0.000	0.000	0.000	(3.563)	0.190
Running the Business	4.365	0.000	0.000	0.000	0.000	0.000	4.365	(5.896)	0.000	0.000	0.000	0.000	0.000	(5.896)	(1.531)
Environmental Stewardship	1.431	1.191	1.191	1.191	1.066	0.000	6.072	0.000	0.000	0.000	0.000	0.000	0.000	0.000	6.072
Economic Prosperity	1.283	3.803	0.448	0.448	0.000	4.189	10.172	(0.796)	(3.335)	0.000	0.000	0.000	0.000	(4.131)	6.041
Quality Housing and Place Making	2.198	1.689	1.689	1.539	1.539	0.000	8.654	(1.723)	(1.539)	(1.539)	(1.539)	(1.539)	0.000	(7.879)	0.775
<b>Total Capital Programme</b>	<b>10.197</b>	<b>8.363</b>	<b>4.483</b>	<b>3.179</b>	<b>2.605</b>	<b>4.189</b>	<b>33.016</b>	<b>(9.256)</b>	<b>(6.442)</b>	<b>(2.693)</b>	<b>(1.539)</b>	<b>(1.539)</b>	<b>0.000</b>	<b>(21.469)</b>	<b>11.547</b>

Service	Project	Strategic Priority	Expenditure (£m)						Total Expenditure	Financing (£m)						Total Borrowing (£m)	
			2025/26	2026/27	2027/28	2028/29	2029/30	Future Years		2025/26	2026/27	2027/28	2028/29	2029/30	Future Years		Total Financing
	Burnehyll- Bicester Country Park	Community Leadership	0.114						0.114							0.000	0.114
	Depot Fuel System Renewal	Running the Business	0.035						0.035							0.000	0.035
	Investing in Additional commercial waste containers	Environmental Stewardship	0.025						0.025							0.000	0.025
	Kidlington Public Convenience Refurbishment	Environmental Stewardship	0.090						0.090							0.000	0.090
	Landscape Software Upgrade	Running the Business	0.025						0.025							0.000	0.025
	Net Zero Capital Projects (Business Cases Required)	Environmental Stewardship	0.250	0.125	0.125	0.125			0.625							0.000	0.625
	Upgrade of Street Cleansing IT System	Running the Business	0.025						0.025							0.000	0.025
	Vehicle Replacement Programme	Environmental Stewardship	1.066	1.066	1.066	1.066	1.066		5.332							0.000	5.332
	<b>Environmental - Capital Total</b>		<b>1.630</b>	<b>1.191</b>	<b>1.191</b>	<b>1.191</b>	<b>1.066</b>		<b>6.271</b>							<b>0.000</b>	<b>6.271</b>
	East West Railways	Economic Prosperity	0.039	0.020				4.189	4.248							0.000	4.248
	UK Shared Prosperity Fund (UK SPF) Year Two Investment Plan Programme	Economic Prosperity	0.076						0.076	(0.076)						(0.076)	0.000
	<b>Growth &amp; Economy - Capital Total</b>		<b>0.115</b>	<b>0.020</b>				<b>4.189</b>	<b>4.324</b>	<b>(0.076)</b>						<b>(0.076)</b>	<b>4.248</b>
	Bicester Leisure Centre Extension	Community Leadership		0.079					0.079							0.000	0.079
	Discretionary Grants Domestic Properties	Quality Housing and Place Making	0.150	0.150	0.150				0.450							0.000	0.450
	Graven Hill Community and Infrastructure Projects	Community Leadership							0.000	(0.080)						(0.080)	(0.080)
	Longford Park Art	Community Leadership	0.045						0.045							0.000	0.045
	S106 - Ambrosden Outdoor Sports	Community Leadership	0.130						0.130	(0.130)						(0.130)	0.000
	S106 - Bicester Leisure Centre Extension	Community Leadership			1.154				1.154		(1.154)					(1.154)	0.000
	S106 - Hook Norton Sport And Social Club Project	Community Leadership	0.080						0.080	(0.080)						(0.080)	0.000
	S106 - Horley Cricket Club Pavilion Project	Community Leadership	0.110						0.110	(0.110)						(0.110)	0.000
	S106 - Kidlington & Gosford Leisure Centre	Community Leadership	0.020						0.020	(0.020)						(0.020)	0.000
	S106 - Milton Road Community Facility and Sports Pitch Project	Community Leadership	0.371						0.371	(0.371)						(0.371)	0.000
	S106 - The Hill Improvements Project	Community Leadership	0.050						0.050	(0.050)						(0.050)	0.000
	Disabled Facilities Grants*	Quality Housing and Place Making	1.723	1.539	1.539	1.539	1.539		7.879	(1.723)	(1.539)	(1.539)	(1.539)	(1.539)		(7.879)	0.000
	NOA 3G Pitch Development**	Community Leadership	0.000	1.600					1.600	0.000	(1.568)					(1.568)	0.032
	<b>Wellbeing &amp; Housing - Capital Total</b>		<b>2.679</b>	<b>3.368</b>	<b>2.843</b>	<b>1.539</b>	<b>1.539</b>		<b>11.968</b>	<b>(2.564)</b>	<b>(3.107)</b>	<b>(2.693)</b>	<b>(1.539)</b>	<b>(1.539)</b>		<b>(11.442)</b>	<b>0.526</b>
	<b>Communities - Capital Total</b>		<b>4.424</b>	<b>4.579</b>	<b>4.034</b>	<b>2.730</b>	<b>2.605</b>	<b>4.189</b>	<b>22.563</b>	<b>(2.640)</b>	<b>(3.107)</b>	<b>(2.693)</b>	<b>(1.539)</b>	<b>(1.539)</b>		<b>(11.518)</b>	<b>11.045</b>
	Council Website & Digital Service	Running the Business	0.122						0.122							0.000	0.122
	Digital Futures Programme (Business Cases Required)	Running the Business	0.217						0.217							0.000	0.217
	ESRI Software Upgrade	Running the Business	0.030						0.030							0.000	0.030
	Robotic Process Automation (RPA)	Running the Business	0.037						0.037							0.000	0.037
	<b>ICT - Capital Total</b>		<b>0.406</b>						<b>0.406</b>							<b>0.000</b>	<b>0.406</b>
	Bicester Depot Building	Running the Business	3.874						3.874	(0.750)						(0.750)	3.124
	Castle Quay	Economic Prosperity	0.448	0.448	0.448	0.448			1.793							0.000	1.793
	Council Office Relocation and Development	Running the Business							0.000	(5.146)						(5.146)	(5.146)
	Fairway Flats Refurbishment	Quality Housing and Place Making	0.325						0.325							0.000	0.325
	Transforming Bicester Market Square	Economic Prosperity	0.720	3.335					4.055	(0.720)	(3.335)					(4.055)	0.000
	<b>Property - Capital Total</b>		<b>5.367</b>	<b>3.783</b>	<b>0.448</b>	<b>0.448</b>			<b>10.047</b>	<b>(6.616)</b>	<b>(3.335)</b>					<b>(9.951)</b>	<b>0.096</b>
	<b>Resources - Capital Total</b>		<b>5.773</b>	<b>3.783</b>	<b>0.448</b>	<b>0.448</b>			<b>10.453</b>	<b>(6.616)</b>	<b>(3.335)</b>					<b>(9.951)</b>	<b>0.502</b>
	<b>Grand Total</b>		<b>10.197</b>	<b>8.363</b>	<b>4.483</b>	<b>3.179</b>	<b>2.605</b>	<b>4.189</b>	<b>33.016</b>	<b>(9.256)</b>	<b>(6.442)</b>	<b>(2.693)</b>	<b>(1.539)</b>	<b>(1.539)</b>		<b>(21.469)</b>	<b>11.547</b>

\* DFG budget subject to confirmation of funding allocations by the Department of Levelling Up, Housing and Communities (DLUHC)  
 \*\* North Oxfordshire Academy 3G pitch subject to the receipt of external funding before the project can commence

**Cherwell District Council - Capital Programme 2025-2030**  
**Pipelined Projects** *(subject to business cases and receipt of external funding)*

**Appendix 18**

Project	Strategic Priority	Expenditure (£m)						Total Expenditure	Financing (£m)						Total Borrowing (£m)	
		2025/26	2026/27	2027/28	2028/29	2029/30	Future Years		2025/26	2026/27	2027/28	2028/29	2029/30	Future Years		Total Financing
Development of new Learner Pool at Bicester Leisure Centre	Community Leadership			3.994				3.994			(3.994)				(3.994)	0.000
Development of BMX Pump Track	Community Leadership			0.200				0.200			(0.200)				(0.200)	0.000
<b>Total Pipelined Projects</b>		<b>0.000</b>	<b>0.000</b>	<b>4.194</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>4.194</b>	<b>0.000</b>	<b>0.000</b>	<b>(4.194)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(4.194)</b>	<b>0.000</b>

# CAPITAL AND INVESTMENT STRATEGY 2025/2026



*Cherwell*

DISTRICT COUNCIL  
NORTH OXFORDSHIRE

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# A. Capital Strategy

## A1. Introduction

As part of its annual budgeting cycle, Cherwell District Council proposes a capital programme that sets out the capital expenditure that is expected to take place over the next 5 years. The programme is a series of projects undertaken by service departments for which there has been an identified business need.

Capital expenditure is money spent on acquiring and enhancing non-current assets that are used in the delivery of services and providing economic benefits to the council and its residents.

The council has had, and continues to put forward, an ambitious programme that seeks to deliver on its key corporate priorities as detailed in the 2025-26 Business plan, namely:

- Economic prosperity
- Community leadership
- Environmental stewardship
- Quality housing and place making

The council also incurs capital costs to facilitate the delivery of its support services and smooth running of council functions.

To ensure that the council can deliver upon these priorities, a medium to long-term view is taken of planned capital expenditure to ensure that the programme is prudent, affordable, sustainable, and deliverable.

Owing to the nature of capital spend, there are financial and non-financial factors that need to be evaluated and monitored to ensure council stakeholders and decision makers are kept fully informed, in line with the CIPFA Prudential Code for Capital Finance.

The Prudential Code for Capital Finance sets out that to demonstrate that the authority takes capital expenditure and investment decisions in line with service objectives and properly takes account of stewardship, value for money, prudence, sustainability and affordability, authorities should have in place a capital strategy. The capital strategy should set out the long-term context in which capital expenditure and investment decisions are made and gives due consideration to both risk and reward and impact on the achievement of priority outcomes. The Strategy must be approved by Full Council.

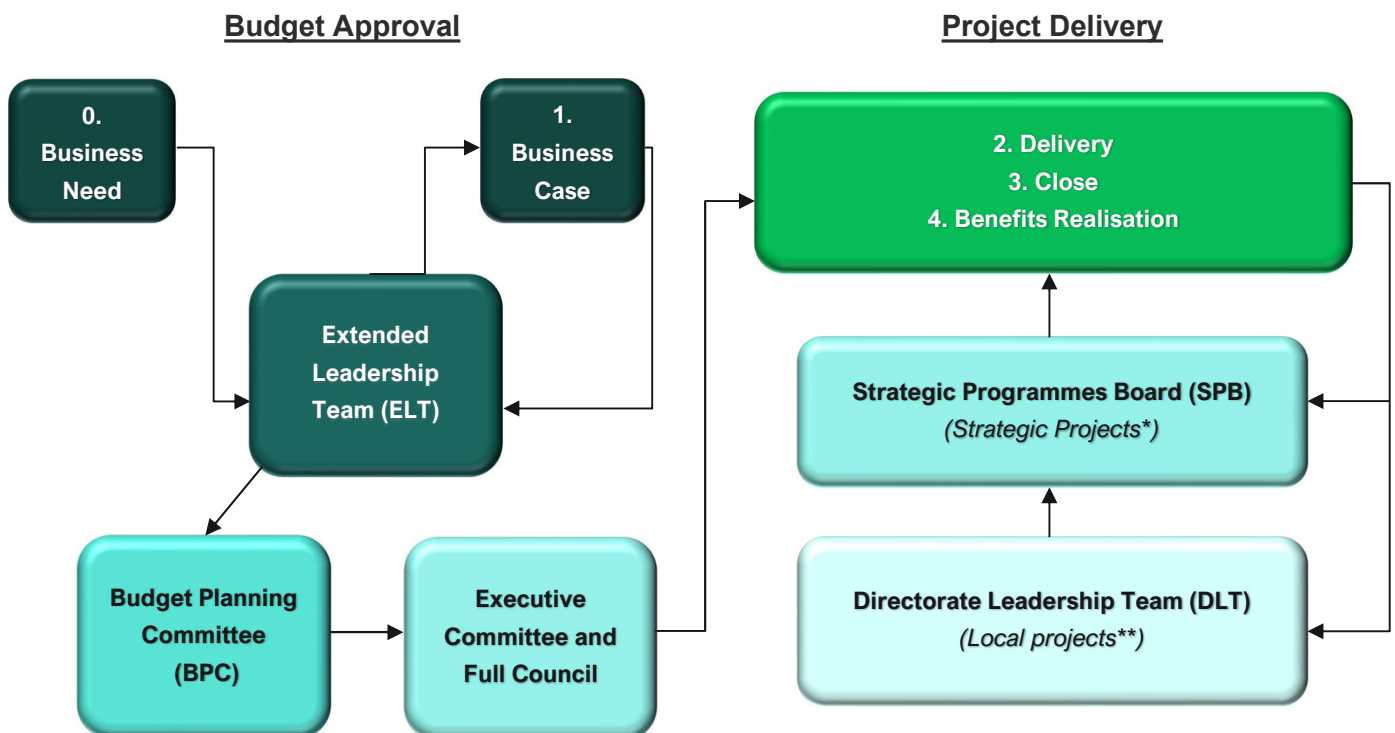
## A2. Capital Planning and Project Governance

Starting in the Spring of each new budget cycle for the next financial year, service managers are tasked with conceptualising and developing capital proposals that are linked to corporate or service priorities as part of the Budget & Business Planning process.

For the 2025/26 financial year, the council is adopting an enhanced project framework that seeks to provide improved governance and accountability for capital projects. It is expected that the framework will help to better define and manage the outputs, outcomes and benefits from projects within the capital programme. The framework will complement the capital budget setting process and will help the council to exert effective decision making to manage the financial and technical elements of projects.

In prior years, the Strategic Place Shaping, Transformation and Strategic Programme Boards provided oversight and scrutiny for the capital budget process. Whilst projects are encouraged to be brought to these boards initially, for 2025/26, responsibility for reviewing and progressing capital proposals has transferred to the Extended Leadership Team (ELT), with recommendations considered by the Corporate Leadership Team (CLT) alongside the Budget Planning Committee. Approval of capital projects and the capital programme is made by Full Council. Capital projects may occasionally be approved outside of the annual budget cycle in line with the Council's Financial Regulations but are subject to the same level of scrutiny and appraisal by ELT and CLT.

Diagram A2.1: Capital Project Governance Framework

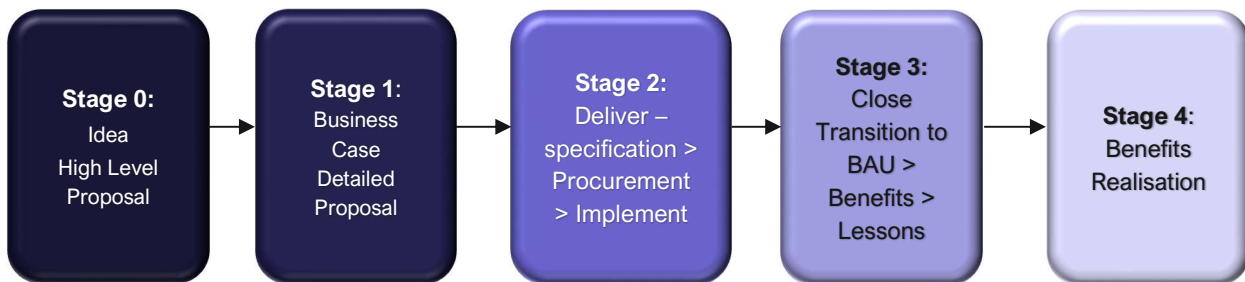


**\*Strategic Projects** are those that are identified to be key to achieving a strategic objective or be underpinned by significant financial investment or result in a change on a significant number of customers and/or staff. A project board will be responsible for appropriate project governance to oversee, ensure and support successful delivery.

**\*\*Local Projects** are important to achieving the Council's strategic objectives, but carry less risk and therefore, responsibility for project governance and oversight will sit with the directorate and relevant service area.

The capital process has five stages which are depicted in the diagram below:

**Diagram A2.2: Capital Process**



### Stage 0 - Business Need – High Level Proposal

Capital proposals first and foremost, must have a demonstrable business need. Officers must put forward rationale for why undertaking a project is necessary, including the corporate priorities it aligns with and a high-level budget outline, estimating both capital and revenue impact and any identified sources of capital funding. Bids are first considered by the Directorate Leadership Team level (DLT) and then discussed at the Executive Leadership Team (ELT) meeting, which takes a decision on progression of the scheme to stage 1.

### Stage 1 - Business Case: Detailed Proposal

Progression through stage 1 requires the development of a more detailed business case which should include options for the scheme, ensuring that the council can deliver projects that offer value for money. The business case will include information that will assist officers in appraising the project. Within each option, an analysis of the benefits and drawbacks must be provided, alongside a summary of key risks, a project timeline and more detailed budget proposal. The business case must discuss carbon and climate impact, and any stakeholder engagement. ELT will consider business cases and provide feedback to officers, with recommendations made on progression of the project to stage 2. subject to consultation and formal approval by the Executive and Full Council. If the business case requires further work, the project may be paused and reworked for discussion at a future ELT, or postponed. As part of stage 1, finance officers conduct a review of the affordability of the project and prepare revenue budget figures for inclusion in the Medium-Term Financial Strategy (MTFS).

Projects proposed to be included in the Council's capital programme are consulted on externally via public consultation and appraised by the Budget Planning Committee which provides comments to the Executive on the proposals. The Executive then, taking into consideration any comments, propose which schemes to include in the Capital Programme ahead of the final capital programme being presented to Council in February each year. Once approved by Full Council, budgets are uploaded to the financial system and project officers can commence work on the approved schemes.

### Stage 2 – Delivery

Approved projects in the capital programme are overseen by project managers that are responsible for delivering projects on time and within budget. This responsibility extends to risk management and escalation of issues to ensure that projects remain on track. Project managers are required to report progress and escalate issues through the Strategic Programmes Board for Strategic level projects, and the Directorate Leadership Team for Local Projects. All capital projects and programmes are reviewed monthly as part of routine budget management, which provides an opportunity to review project costs against budget and escalate potential areas of concern with senior management. The outputs from routine budget

management processes feed into the Finance Capital reporting to the Executive, this reporting includes narrative which provides non-financial updates on capital projects.

### Stage 3 – Close

When the project has delivered the expected outputs, the project can be closed. At stage 3, the project manager will produce a project closure report that includes a summary of delivery and outputs, a benefits realisation plan, lessons learnt and agreed outstanding actions. The project closure report will be presented to the relevant governance board/group to gain approval to close the project.

### Stage 4 - Benefits Realisation

Stage 4 covers benefits realisation. In some cases, projects deliver benefits that can only be measured post closure of the project, the details of which are included in the benefits realisation plan produced at stage 3.

## A3. Capital Expenditure

### Regulations

Local Authorities operate under a capital prudential framework and under a statutory legal environment through the Local Government Act 2003.

Expenditure can only be capitalised (i.e., recorded as an asset on the Council's balance sheet) under these regulations, if the spend is incurred in:

- Acquiring, constructing, or enhancing physical or intangible assets, such as land, buildings, plant, vehicles, and equipment
- Acquiring share capital in a third party
- Advancing a loan to a third party that would be for capital purposes if incurred by the council
- Granting of funds to a third party which is to be used for a capital purpose
- Purchasing or enhancing assets from which the council does not have the legal right to economic or service benefits from but would otherwise be capital if the council had those rights (Revenue Expenditure Funded by Capital Under Statute).

As part of the capital governance and approval process outlined in section A2, projects are appraised on whether proposed expenditure falls into the above categories. Proposed expenditure that does not meet capitalisation regulations as determined by the Capital Accountant and/or S151 Officer, is then considered as a potential revenue pressure as part of the revenue budget setting process.

Expenditure on assets that are capital in nature and in the same class, but do not aggregately meet the council's capital de minimis threshold of £10,000, are normally charged as a revenue expense. Occasionally the council may be required to capitalise expenditure below this threshold in order to comply with grant conditions.

Project officers are provided with guidance that outlines the requirement for expenditure being treated as capital. The below table demonstrates how the council typically treats expenditure that are related to capital projects:

**Table A3.1: Accounting Treatment of Project Expenditure\***

Expenditure Type	Accounting Treatment
Feasibility Studies	Revenue Expense
Options Appraisal	Revenue Expense - expenditure incurred on the option that is proceeded with <i>may</i> be capitalised e.g., if three options are appraised, 1/3 of the cost may be capitalised
Internal Staff Costs	Revenue unless a <u>direct contribution</u> is made to the progressing of the creation, acquisition, or enhancement of an asset. Officers are <u>required</u> to complete a monthly timesheet signed by a manager or Assistant Director.
Interest Costs on Prudential Borrowing	Revenue Expense
Design, Architect and Engineer Costs	Capital Expense
Contractors Costs	Capital Expense
Legal Fees	Capital Expense (except in relation to conveying the sale of an asset)

\*This is not an exhaustive list of expenditure types

It is therefore vital that project officers correctly classify spend for revenue and capital purposes to avoid unforeseen budget pressures. Aborted projects which no longer meet capitalisation requirements are subsequently charged to revenue.

## Capital Programme

The council has a sizeable capital budget with committed spend of £30m across the programme. Projects already in the existing capital programme, prior to the inclusion of 2025/26 proposals, include:

- Transforming Bicester Market Square - £4m
- S106 Community Infrastructure Projects across the District - £3.5m
- Construction of a New Waste Services Depot - £3.9m
- Vehicle Replacement Programme - £5.3m
- Development of Castle Quay - £1.8m

All projects exist to further the Council's delivery against its corporate objectives or to improve service delivery and council operations. A summary of planned capital spend in accordance with the corporate objectives is outlined in table A3.2 below:

**Table A3.2: Capital Programme across Corporate Priorities in £m**

Corporate Priority	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Budget	Budget	Budget	Budget	Budget
Community Leadership	2.3	2.5	0.9	1.7	1.2	0.0
Running the Business	0.5	5.9	4.4	0.0	0.0	0.0
Environmental Stewardship	3.8	1.7	1.4	1.2	1.2	1.2
Quality Housing and Place Making	14.8	5.3	2.2	1.7	1.7	1.5
Economic Prosperity	0.4	1.8	1.3	3.8	0.4	0.4
<b>Total Capital Expenditure*</b>	<b>21.8</b>	<b>17.2</b>	<b>10.2</b>	<b>8.4</b>	<b>4.5</b>	<b>3.2</b>

\*Not including pipeline projects for which funding has not yet been received

As part of the 2025/26 budget setting process, Full Council is requested to approve additions to the capital programme to further progress against corporate objectives. For 2025/26 one project is proposed to be added to the programme:

£0.030m of Spatial Software Upgrades

The council also has projects in the pipeline which are being planned, but for which capital funding has not yet been fully identified or received.

This includes the development of a New Learner Pool at Bicester Leisure Centre (£5.2m) and the BMX Pump Track (£0.2m). It is expected that future S106 receipts will be received to fully fund these projects and enable progress to stage 2. These items are included in the capital programme but are not able to proceed until all funding has been identified for them.

### **Statement on Leases and IFRS 16**

As at the time of publication, the council is finalising its review of assets it has the right to use as a lessee as part of adopting International Financial Reporting Standard 16 (IFRS 16), which became mandatory in the 2024/25 financial year.

Under IFRS 16, all assets the council leases need to be brought on balance sheet unless they are of low value (the asset value is less than £10,000 over the term) or short-term in nature (less than 1 year in duration). The impact of this is that assets previously assessed as being an operating lease (revenue expenditure) under IAS17 become capital expenditure, and therefore transition from revenue into the Council's capital plans.

Practically, for existing leases identified within the revenue account that need to be brought on balance sheet, the revenue rental payments move from the service area's budget to the Council's corporate capital financing revenue budget. Payments are then split between interest (which may be implicit in the lease) and MRP (see A4 and Annex A) which acts as the financing of the principal balance of the lease. The resultant revenue impact of reclassification from revenue to capital is therefore nil.

The assessment made by finance officers on leases to date is that no material impact is expected on the Council's capital financing position. However, should any leases be identified as having a material impact on capital financing, revised prudential indicators will be published as part of the Council's Treasury Management reporting.

## **A4. Capital Financing and Affordability**

### **Financing the Capital Programme**

Capital expenditure included in the capital programme is financed from various sources – these sources can either be external (from third party contributions such as grants and Section 106 contributions) or internal (making use of reserves and capital receipts). Borrowing may be used as a temporary source of finance – as such the council may borrow externally within the prudential framework to acquire and enhance assets, including lease arrangements under IFRS16. Alternatively, it can borrow internally, making use of cash balances it holds in advance of expenditure to temporarily finance its capital spend. Internal borrowing is usually the preferred route - where possible - as interest payable on external borrowing is typically higher than interest receivable on surplus cash balances. A reduction in interest receivable will therefore be outweighed by the cost avoidance benefit in not borrowing externally. More information on this can be found in the Council's Treasury Management Strategy.

Borrowing results in an increase to the Council's Capital Financing Requirement (CFR) which needs to be carefully managed. Table A4.1 shows the expected use of receipts and the effects on the council's need to utilise borrowing as a temporary source of finance:

**Table A4.1: Sources of Capital Finance**

<i>Financing Source</i>	<b>2023/24 Actual</b>	<b>2024/25 Budget</b>	<b>2025/26 Budget</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
<b>Capital Expenditure</b>	<b>21.8</b>	<b>17.2</b>	<b>10.2</b>	<b>8.4</b>	<b>4.5</b>	<b>3.2</b>
Capital Receipts	(15.1)	(0.4)	(5.9)	0.0	0.0	0.0
Grants	(4.8)	(2.0)	(2.5)	(4.9)	(1.5)	(1.5)
S106 Grants	(0.4)	(2.0)	(0.8)	(1.6)	(1.2)	0.0
Donated Assets	(1.0)	0.0	0.0	0.0	0.0	0.0
<b>Total Financing</b>	<b>(21.3)</b>	<b>(4.4)</b>	<b>(9.3)</b>	<b>(6.4)</b>	<b>(2.7)</b>	<b>(1.5)</b>
<b>Increase/(Decrease) in CFR (before MRP)</b>	<b>0.4</b>	<b>12.7</b>	<b>0.9</b>	<b>1.9</b>	<b>1.8</b>	<b>1.6</b>

*\*Figures may not match between tables due to rounding.*

Capital receipts are a permanent source of finance i.e., it is funding the council controls and does not have to repay. Capital receipts typically arise from the disposal of a non-current asset. Examples of capital receipts include:

- Proceeds from the sale of land or a building
- Repayment of a capital loan from a borrowing entity
- Disposal of a financial interest in a capital asset, such as a re-sale covenant on a house

Once received, capital receipts can be used to finance new capital expenditure or applied to existing expenditure to reduce the council's need to borrow. The council's default position is to apply capital receipts arising from disposal of assets to the Capital Adjustment Account to reduce debt in the year of receipt. This reduces the Council's need to borrow and corresponding financing costs, which helps to reduce the capital financing burden on the taxpayer. This does not prevent the council from introducing new capital proposals but does ensure that the financial implications of each proposal are fully considered and understood. Application of capital receipts falls under the delegation of the S151 Officer as per the Council's Reserves Policy. Capital receipts may also be used to fund certain revenue costs that deliver ongoing savings or efficiencies under the flexible use of capital receipts direction as laid out by the Ministry of Housing, Communities and Local Government. The council does not currently have plans to use this flexibility, however if the S151 officer feels there would be a benefit to using this direction then a proposed strategy will be brought to Full Council to approve in line with the guidance.

Capital grants are generally received for a specific expenditure purpose and are recognised as a council resource when reasonable assurance has been received that the council will meet any conditions attached to the use of the funds. Capital grants are used for financing in the financial year the spend is incurred, with unspent balances transferred to capital reserves which can be used to finance spend in future years.

To finance capital expenditure that has no permanent source of finance such as capital receipts or grants, and that has utilised borrowing as a temporary source of finance, revenue resource must be provided for over the lifetime of the underlying asset or enhancement made. This is known as the Minimum Revenue Provision (MRP) and is a statutory requirement for councils that have utilised prudential borrowing. MRP is provided for annually and acts to reduce the council's need to borrow money, i.e., its CFR. The MRP charge must demonstrate prudence and be made with due regard to statutory guidance published by central government. The Council's MRP statement can be found in Annex A to this document. The Council's MRP forecast is outlined in table A4.2.

**Table A4.2: Minimum Revenue Provision Forecast**

<i>MRP (£m)</i>	<b>2023/24 Actual</b>	<b>2024/25 Forecast</b>	<b>2025/26 Forecast</b>	<b>2026/27 Forecast</b>	<b>2027/28 Forecast</b>	<b>2028/29 Forecast</b>
Minimum Revenue Provision (MRP)	(4.4)	(3.9)	(4.4)	(4.8)	(5.0)	(5.2)

## Capital Financing Requirement

The level of capital expenditure not yet permanently financed is measured through the Capital Financing Requirement (CFR). The CFR indicates the extent to which the council has needed to borrow (incur debt) and is calculated by taking the Council's total spend for capital purposes and deducting capital grants, receipts and revenue resource applied against the expenditure. Forecasting the CFR is a vital part of revenue budget management as it determines the level of prudent MRP.

**Table A4.3: Capital Financing Requirement Actuals and Estimates**

CFR (£m)	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Actual	Forecast	Forecast	Forecast	Forecast	Forecast
CFR	234.4	243.2	239.8	236.9	233.7	230.2

## A5. Treasury Management and Prudential Borrowing

### Prudential Borrowing

The council as a local authority can borrow for purposes that comply with the CIPFA Prudential Code for Capital Finance. As part of this capital strategy a series of indicators are provided to help demonstrate that borrowing is incurred in-line with the Prudential Code. Prudential indicators are provided in section A6 of this strategy.

Under the revised code, the council *cannot* borrow for commercial purposes i.e., make capital investments primarily for financial return. The council takes decisions on its capital programme with the fundamental principle that the capital project must deliver against corporate priorities as its primary objective. The council will therefore comply with this requirement.

### Treasury Management

Treasury management is concerned with 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.

Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The council typically has surplus cash in the short-term as revenue income is received before it is spent and has borrowed cash for the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital borrowing requirements to reduce overall borrowing. At 30 November 2024 the Council had borrowings of £180m at an average interest rate of 2.54%, and £35m of investments at an average interest rate of 4.94%. The borrowing position is reported regularly to Accounts, Audit & Risk Committee as part of the Treasury Management reports.

### Borrowing Strategy

The Council's main objective when borrowing is to achieve a low but certain cost of finance while retaining flexibility should plans change in future. To meet this objective the council must review the current market conditions alongside the long-term forecasts from its treasury advisors to determine how to structure borrowings. Short term loans, which usually have lower interest rates and offer excellent flexibility, are suitable for stable market conditions or when interest rates are forecast to fall. Medium to long term loans offer a certain cost of finance but are generally more expensive and inflexible. The council must therefore seek to strike a balance between short and medium to long term loans, to meet its objectives, by anticipating both its borrowing need and the forecast interest rates.



## A6. Prudential Indicators

Under the Prudential Code, the council is required to ensure that all capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so the council must take into account arrangements for the repayment of debt (including through MRP) and consideration of risk, and the impact and potential impact on the council's overall fiscal sustainability.

A series of prudential indicators are set each year as part of the Capital Strategy to demonstrate that the council has due consideration of these factors when determining its capital programme.

### A6.1 Debt and the CFR

The council can only borrow to support a capital purpose, and borrowing should not be undertaken for revenue or speculative purposes. The council should ensure that gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the current and the next two financial years.

Projected levels of the Council's total outstanding debt (which comprises borrowing and leases) are shown below, compared with the capital financing requirement (see table A4.3)

<b>Table A6.1: Debt vs CFR (£m)</b>	<b>2023/24 actual</b>	<b>2024/25 forecast</b>	<b>2025/26 forecast</b>	<b>2026/27 forecast</b>	<b>2027/28 forecast</b>
Gross Borrowing (incl. PFI & leases)	181.0	180.0	179.0	178.0	173.0
Capital Financing Requirement	234.4	243.2	239.8	236.9	233.7

As per the table, the council expects that its gross borrowing will not exceed its CFR across the MTFS period.

### A6.2 Borrowing Boundaries and Limits

The council is legally obliged to determine and keep under review an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" based on the council's estimate of the maximum level of external debt in the most likely scenario is also set. The operational boundary reflects the level above which the council does not expect to require borrowing based on current cashflow projections and capital programme, and so acts as a warning level should there be a sustained or regular trend of external debt above the boundary. The operational boundary and authorised limit set by the council are outlined in table A6.2 below:

<b>Table A6.2: Operational Boundary vs Authorised Limit (£m)</b>	<b>2024/25 limit</b>	<b>2025/26 limit</b>	<b>2026/27 limit</b>	<b>2027/28 limit</b>
Operational boundary	290.0	200.0	199.0	198.0
Authorised limit	310.0	310.0	310.0	310.0

As part of the review of the capital and investment strategy for 2025/26 it was identified that the previous operational boundary of £290m was not reflective of the maximum external debt in the most likely scenario. The council has reviewed its approach to setting the operational boundary and has adopted an expected value approach to commitments (such as bonds, guarantees, revolving credit facilities) that are unlikely to materialise in the financial year. Instead of including the total potential liability in the worst case, as the previous approach had, the council estimates the likelihood of the commitment being called upon and the likely amount. An amount based on this assessment is included in the operational boundary to reflect that while it is very unlikely that all of these commitments be called upon in full, there is a likelihood that on average across all the commitments there may be some impact on the council's cashflows. This change to the operational boundary also does not change the council's ability to borrow. It is the most likely maximum level of borrowing based on the council's current capital programme and forecast cashflows. All future capital proposals will be considered on a case-by-case basis and the operational boundary will be reviewed

each year to ensure it includes any borrowing required for new capital projects that are considered to be affordable. The authorised limit however remains unchanged.

### A6.3 Financing Cost to Net Revenue Stream

Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue. Together these are referred to as financing costs and it is useful to compare this to the net revenue stream, i.e., the amount funded from Council Tax, business rates and general Government grants, to determine that capital financing costs are proportionate and affordable.

<b>Table A6.3: Financing Costs to Net Revenue Stream (£m)</b>	<b>2023/24 Actual</b>	<b>2024/25 forecast</b>	<b>2025/26 forecast</b>	<b>2026/27 forecast</b>	<b>2027/28 forecast</b>
Interest Payable	4.0	4.7	4.9	4.5	4.4
Minimum Revenue Provision	4.4	3.9	4.4	4.8	5.0
<b>Total Financing Costs</b>	<b>8.4</b>	<b>8.6</b>	<b>9.2</b>	<b>9.4</b>	<b>9.4</b>
Net Revenue Stream	29.1	27.0	26.2	23.2	19.9
<b>Total Funding</b>	<b>29.1</b>	<b>27.0</b>	<b>26.2</b>	<b>23.2</b>	<b>19.9</b>
<b>Ratio of Financing Costs</b>	<b>28.9%</b>	<b>32.0%</b>	<b>35.2%</b>	<b>40.3%</b>	<b>47.2%</b>

This indicator shows that the ratio of financing costs to net revenue streams is high and increasing across the MTFs, which is primarily due to the forecast in reduction in revenue resources. What this ratio doesn't consider is that a large proportion of the Council's financing costs are offset by the interest from on-lending to the Council's subsidiaries, and income generated by assets acquired as part of the Council's regeneration programme. This "non-treasury investment" income is not included in the net revenue stream as it does not form part of the Council's core funding but is nonetheless a key resource for the council.

### A6.4 Net Income from Service Investment Income to Net Revenue Stream

This Indicator shows the financial exposure of the authority to the loss of its non-treasury investment income, i.e., income from financial investments (e.g., share and loan capital in council subsidiaries) and income from property assets:

<b>Table A6.4: Ratio of Service Investment Income to Net Revenue Stream (£m)</b>	<b>2023/24 Actual</b>	<b>2024/25 forecast</b>	<b>2025/26 budget</b>	<b>2026/27 budget</b>	<b>2027/28 budget</b>
Net Income from Financial Investments	4.5	4.9	4.0	4.0	4.0
Net Income from Property Assets	4.6	5.5	6.9	7.0	7.1
<b>Total Service Investment Income</b>	<b>9.1</b>	<b>10.3</b>	<b>10.9</b>	<b>11.0</b>	<b>11.0</b>
Net Revenue Stream	29.1	27.0	26.2	23.2	19.9
<b>Total Funding</b>	<b>29.1</b>	<b>27.0</b>	<b>26.2</b>	<b>23.2</b>	<b>19.9</b>
<b>Ratio of Service Investment Income</b>	<b>31.3%</b>	<b>38.3%</b>	<b>41.7%</b>	<b>47.3%</b>	<b>55.5%</b>

Investment income represents a significant proportion of the net revenue stream and therefore the risks around loss of this income should be monitored closely. The council conducts regular reviews of projected levels of income as part of monthly budget management and provides regular updates to senior management via performance and aged debt reporting. Risks associated with income loss can therefore be identified early and plans can be implemented to mitigate the impact so the council can continue to deliver a balanced budget.

Whilst financing costs are high, the overall picture is incomplete without factoring the contribution investment income makes towards these costs. Deducting the ratio of net income from Service Investments from the Ratio of Financing costs reveals the affordability ratio, which demonstrates the net revenue impact to the taxpayer as a result of the Council's capital investment decisions.

### A6.5 Affordability Ratio

There is no established Local Authorities benchmark for this ratio as activities differ significantly. Interest earned on Treasury investment is not considered in either of the calculations and therefore it is not unexpected to see a positive percentage when the two are netted off against each other.

The affordability ratio shows that after taking into account the income relating to the capital expenditure that is being financed the council has an affordable net cost of capital financing:

<b>Table A6.5: Affordability Ratio</b>	<b>2023/24 Actual</b>	<b>2024/25 forecast</b>	<b>2025/26 budget</b>	<b>2026/27 budget</b>	<b>2027/28 budget</b>
Ratio of Financing costs	28.9%	32.0%	35.2%	40.3%	47.2%
Ratio of Service Investment income	31.3%	38.3%	41.7%	47.3%	55.5%
<b>Affordability ratio</b>	<b>-2.5%</b>	<b>-6.3%</b>	<b>-6.5%</b>	<b>-7.0%</b>	<b>-8.3%</b>

The Section 151 Officer is satisfied that the proposed capital programme is prudent, affordable, and sustainable.

The council will continue to monitor this ratio and report to senior management and members via its regular Treasury Management review. Should the affordability ratio move adversely, the council will need to review whether this is sustainable and what actions may be required to mitigate the impact to the taxpayer as part of its budget management and Medium-Term Financial Strategy.

## A7. Capital Health

To get an indication of the Council's overall capital health, it is useful to examine the ratio of the CFR to the Council's total long-term asset value to determine the extent to which the council's assets could clear its debt through asset disposals, if necessary.

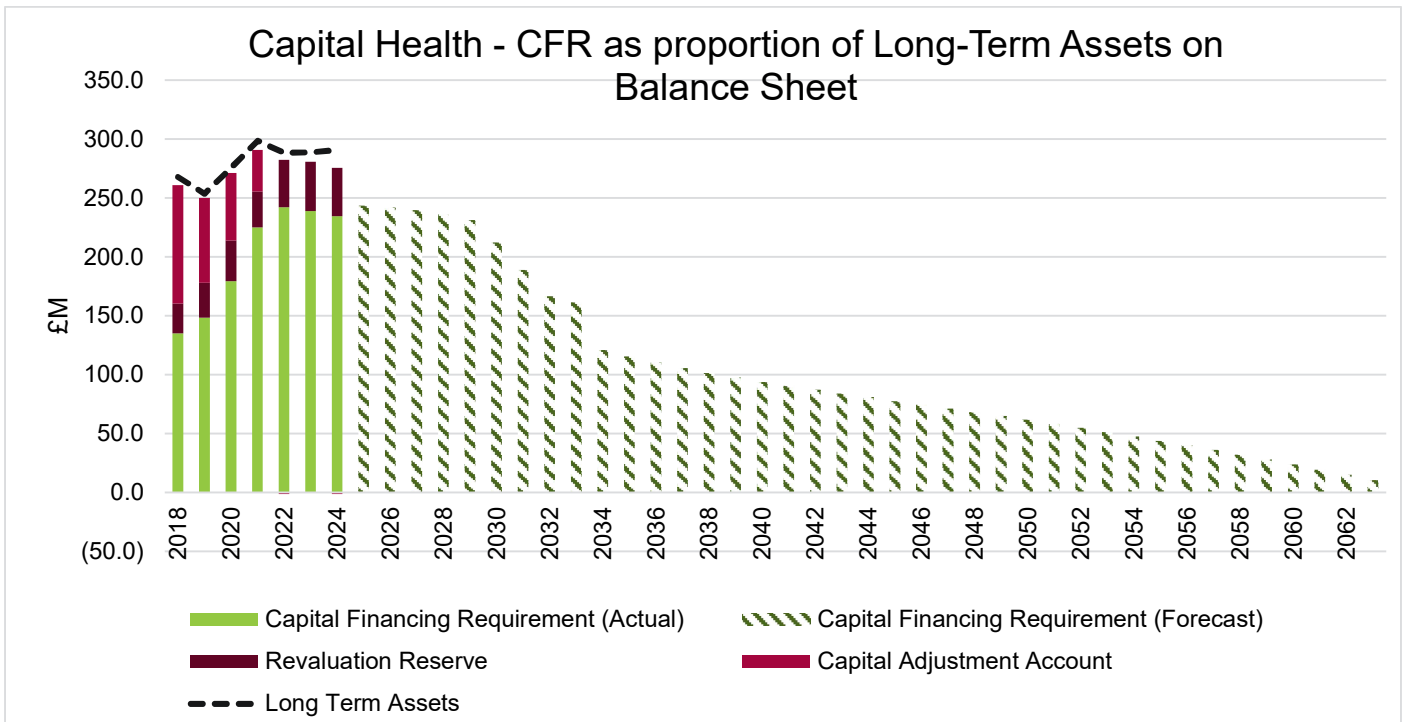
**Table A7.1 – Capital Health in £ millions**

<b>Capital Health (£m)</b>	<b>2017/18</b>	<b>2018/19</b>	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>
Capital Financing Requirement	134.9	148.2	179.2	224.8	242.1	238.6	234.4
Long-Term Assets (as per statement of accounts)	267.8	253.6	275.8	298.6	288.2	288.8	290.7
<b>CFR to Long-Term Asset Ratio</b>	<b>50%</b>	<b>58%</b>	<b>65%</b>	<b>75%</b>	<b>84%</b>	<b>83%</b>	<b>81%</b>

As of 31<sup>st</sup> March 2024, the Council's CFR amounted to 81% percent of the value of its total capital worth (Long-term asset value), demonstrating that the Council's total capital worth exceeds its borrowing requirement. It should be noted that under the CIPFA code, assets can be capitalised on balance sheet based on the long-term service potential they provide and not necessarily the economic value they generate on sale, particularly assets held at historical cost e.g. intangible assets. The CFR to Long-Term asset ratio should therefore only be treated as an indicator of capital health.

Figure A7.2 demonstrates how this has changed since the council began borrowing to fund its capital programme and includes a forecast of the Council's CFR up to 2063 based on the current 5-year capital programme and no future additions to this.

Figure A7.2– Capital Health: CFR as proportion of Long-Term Assets



The Council’s capital assets are comprised of fixed assets, such as property, and financial assets, such as loan and share capital. Fixed assets and long-term financial assets are less liquid than treasury management investments, as loans and share capital have contractual arrangements and agreed repayment profiles in place, whilst property is utilised in the delivery of corporate priorities. It is important that the council continues to monitor the repayment profiles of loans and valuation of its property assets to ensure that the council can cover its debt obligations through asset sales if required to do so (e.g. in the unlikely event that PWLB refinancing of loans becomes unavailable).

Based on current forecasts, the CFR is expected to be cleared by 2064. This is mainly due to the effects of the annual minimum revenue provision set aside by the council and principal repayment of capital loans and share capital investments, which are to be treated as capital receipts and are expected to be used to clear the outstanding CFR balances associated with these assets. The council continues to ensure that wherever possible, new capital projects are fully funded by capital grants, capital receipts or S106 receipts, keeping additional borrowing requirements to a minimum level and on projects whether there is a demonstrable business need or statutory duty.

## A8. Asset Management and Commercial Risk

### Asset Management

To ensure that capital assets continue to be of long-term use, the council is in the process of preparing a revised Asset Review, where the purpose of each asset held, is challenged, and these properties will be underpinned by policy documents which detail how each category of property is managed. This is a multi-level approach structured as follows:

- At a property level this will comprise of the preparation of an asset management plan which are then subject to periodic review and updating. This process is ongoing and informs the property strategy as a whole.

- At a tenancy level the Comprehensive Asset Register (a database of key lease events) is being updated and used to identify forthcoming lease events such as expiries, rent reviews and breaks. These are allocated to specific Property Managers to progress whose work schedules are reviewed periodically.

When a capital asset is no longer needed, it may be sold to generate a capital receipt. Receipts from capital grants, loan repayments and investments also classed as capital receipts under Local Government accounting regulations.

## Commercial Risk

To drive leadership of place within Cherwell, stimulate growth, pursue economic regeneration and to generate income to support the revenue activity, the council holds commercial property assets that are subject to commercial risks. The council continues to make investments in enhancing and adapting these assets to ensure they remain fit for purpose and to maximise their service and economic potential in what has been a turbulent financial environment for commercial property nationwide in recent years.

The council recognises that the investments made in commercial property are higher risk than treasury investments. The principal risk exposures are listed below in table A8.1 together with an outline of how those risks are managed:

**Table A8.1 – Commercial Risk Management**

<b>Illiquidity</b>	<p>The council acknowledges illiquidity as a risk in property and whilst it cannot be avoided the risk is mitigated by the following strategies:</p> <ol style="list-style-type: none"> <li>The council invests across a range of sectors and its assets are diversified in terms of lot size.</li> <li>Some of the Council's investments are not what is termed 'Investment Grade', but they are fundable – i.e., if sold they could be suitable for debt backed investors.</li> <li>The Council's assets are uncharged. It is often lenders who require assets to be sold and whilst gearing does not increase illiquidity per se, it can expose an owner to greater risk of selling an illiquid asset at an inopportune time.</li> </ol>
<b>Tenant default</b>	<p>The council's portfolio includes both large national concerns, small local businesses (mainly retail or industrial type tenants) and individuals (such as housing tenants). Tenant default risk is managed in two ways:</p> <ol style="list-style-type: none"> <li>Tenants are vetted when entering the portfolio either as new tenants when property is let or as replacement tenants when existing tenants assign their leases. It must be acknowledged that there is less control when a tenant applies for consent to assign, though guarantees may be sought.</li> <li>Risk is managed by diversification as only a small proportion of tenants may be expected to fail in any given year.</li> <li>A policy contingency budget is held within the Council's annual revenue budget alongside a market risk earmarked reserve which could be made available to meet a shortfall in income that may arise in year due to tenant defaults.</li> </ol>
<b>Obsolescence</b>	<p>A significant proportion of the Council's portfolio comprises industrial / warehouse buildings and retail assets which have relatively low obsolescence compared to office premises. This is because offices in general require significant investment to maintain the landlords fit out specification in line with market demands.</p> <p>Where matters of council policy override commercial concerns, the Council's portfolio is more vulnerable. E.g., where significant outlay may be required on plant and machinery at the end of their useful economic lives. This will be considered in the Asset Management plan for each asset.</p>

<b>Capital expenditure</b>	Please see above but also note that the council aims to let space on Full Repairing terms which makes the tenant either explicitly responsible for maintaining the asset or allows CDC to recover the cost of repairs through the service charge provisions of the relevant lease.
<b>Market risk</b>	<p>Two key market risks are falling rents in response to declining economic conditions and extended marketing voids when leases end or tenants fail. These risks are mitigated in three main ways:</p> <ol style="list-style-type: none"> <li>1. Lease lengths should be 3 – 5 years + which obviates most market risks during the period of the tenancy.</li> <li>2. Longer leases which contain regular rent review provisions normally require the rents to be reviewed in an upwards only direction.</li> <li>3. Tenant failure – see above under Tenant Default, re: vetting and diversification policies plus earmarked reserves held.</li> </ol> <p>A further risk is commercial leases with capped service charges meaning the landlord is not able to recover the full amount relating to leased space. The council has a limited number of leases with these clauses and does not routinely agree them unless there is a commercial imperative.</p> <p>An additional risk is over-exposure to town centre retailing as the portfolio's largest assets are the Castle Quay Centre and Waterside in Banbury as well as Pioneer Square in Bicester. The risks arising from these investments will be managed as part of the Strategic Asset Management plan and Asset Actions Plans for each asset.</p>
<b>Returns eroded by inflation</b>	Most properties are let on lease terms which contain upwards only rent reviews and some are indexed linked guaranteeing rental growth. Although in general rental levels lag against inflation (both when rising and falling due to reviews or renewals being generally every 3-5 years) rents are historically considered to be more stable with less fluctuations.
<b>Rising interest rates</b>	Interest rate risks are managed by the Council's Treasury Management function which is supported by professional advisers. The council publishes its approach to interest rate management in its quarterly Treasury Management Report and annual Treasury Management Strategy which should be read in conjunction with this strategy.

## Commercial Governance

Decisions on investment in assets with commercial risk are made by Members and Statutory Officers in line with the criteria and limits approved by Full Council in the Investment Strategy. Acquisitions of property are made in-line with strategic priorities of the council, are capital in nature and will therefore form part of the council's capital programme.

The council also has commercial interests in trading companies, indirectly exposing it to normal commercial risks. These risks are managed by the governance structure in place. The Shareholder Committee is regularly informed of the progress of each company. The Shareholder representative meets with the directors both formally and informally to ensure there is a consistent dialog between the companies and the council.

Further details on commercial investments and limits on their use can be found in the Investment Strategy (Section B of this report).

## A9. Knowledge and Skills

The council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Section 151 Officer is a qualified accountant with many years of experience and several other members of the Finance team are CIPFA members and fully qualified accountants. Senior members of the Property team are registered

surveyors with the Royal Institute of Chartered Surveyors (RICS). The council also pays for junior staff to study towards relevant professional qualifications, including CIPFA, to support professional development and team resilience. Where council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field.

## B. Investment Strategy

### B1. Introduction

The CIPFA Prudential Code for Capital Finance outlines that in the Investment Strategy presented to Full Council each year, it should report on all financial investments of the authority, together with other non-financial investments such as those held for service purposes or for financial return.

Local authority investments (including commercial property) may be categorised in accordance with the primary purpose of the investment. The chief financial officer makes a judgement as to the primary purpose of the investment. For the purposes of this strategy, all investments and investment income must be attributed to the following purposes as per the prudential code:

- ‘Investments for **treasury management** purposes’ (or treasury management investments) are those investments that arise from the organisation’s cash flows or treasury risk management activity, and ultimately represent balances that need to be invested until the cash is required for use in the course of business.
- ‘Investments for **service** purposes’ (or service investments) are taken or held primarily and directly for the delivery of public services (including housing, regeneration and local infrastructure) or in support of joint working with others to deliver such services.
- ‘Investments for **commercial** purposes’ (or commercial investments) are taken or held primarily for financial return and are not linked to treasury management activity or directly part of delivering services.

In line with the above definitions, the council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to or buying shares in other organisations, such as subsidiaries and local community groups (**service investments**) and
- to deliver against corporate priorities as detailed in the council’s annual business plan (**service investments**)

The council does not invest *primarily* for financial return (commercial purposes) – for the council to do so, it is likely the council would need to incur borrowing. The prudential code does not permit borrowing for commercial purposes.

The council realises the benefits of its investments either through direct delivery towards corporate priorities, or by generating additional income that supports service delivery and the revenue budget.

The below table summarises how each type of investment benefits the council and its residents:

**Table B1.1: Investment types and Benefits**

Investment	Purpose	Examples	Strategic and Service Benefits	Economic Benefits
Treasury Investments	To manage surplus cash balances held in advance of expenditure	Money Market Funds, with the UK Government via the Debt Management Office (referred to as the DMADF), other Local Authorities and fixed deposits with banks	Effective treasury management – i.e. deposit cash in facilities that are secure, liquid and generate a financial return	Interest received can be used to support day-to-day revenue spend the council incurs in delivering its services.
Service Investment: <i>Purchasing of Share Capital</i>	To enable subsidiary companies such as Graven Hill to deliver service objectives and be commercially viable enterprises	Graven Hill, Crown House	The subsidiary is provided financial resource to deliver housing for the district	Investing in subsidiaries can help deliver service objectives that impact the local economy and help to stimulate economic growth e.g., in providing housing, attracting businesses, encouraging private investment in the district.  The council may receive a dividend payment from the profits generated that can support revenue spend.
Service Investment: <i>Advancing of Capital Loans</i>	Loans are advanced to organisations such as the Council's subsidiaries, local parishes and local charities to support local public services and stimulate local economic growth	Graven Hill, Crown House, Local Charities and other organisations	To enable continual delivery of housing and infrastructure to the local community.  To enable local groups to deliver objectives and priorities which align with the Council's.	Advancing loans can enable local organisations to facilitate economic growth.  The council receives interest on the loan advances. Loans are repaid to the council on maturity.
Service Investments: <i>Property</i>	To help the council to deliver services, meet its corporate priorities and generate income to support its revenue activity	Bicester Depot, Castle Quay, Tramway Industrial Estate	A direct impact is made on the district through strategic place shaping, regeneration, and other forms of service delivery	Property investments support public services and help to attract for local and national businesses, driving economic prosperity.  The council can generate income from lettings of space that it does not occupy, e.g., retail, and industrial space.



## B2. Treasury Management Investments

The council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and Central Government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy. The balance of treasury management investments is expected to be an average of £27.56m during the 2025/26 financial year.

Full details of the Council's policies and its plan for 2025/26 for treasury management investments are covered in a separate document, the Treasury Management Strategy.

## B3. Service Investments: Loans

### Contribution

The council lends money to third parties (e.g., its subsidiaries, local parishes, local charities) to support local public services and stimulate local economic growth. The main loans issued are to the council's subsidiaries – the Graven Hill Village companies and Crown House Banbury Ltd. Graven Hill is a housing development providing significant housing in Bicester. Crown House is a redeveloped derelict office building in the centre of Banbury which is providing significant residential rental opportunities in the town centre.

### Security

The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. To limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the council, upper limits on the outstanding loans to each category of borrower have been set as follows:

**Table B3.1: Fair Value of Loans**

Category of borrower (£m)	2023/24 Actuals			2025/26
	Balance	Loss allowance	Net figure in accounts	Approved Limit
Subsidiaries	65.6	0.6	65.0	82.6
Parishes	0.0	0.0	0.0	0.0
Local charities	0.0	0.0	0.1	0.1
Other	1.1	0.1	0.9	1.1
<b>TOTAL</b>	<b>66.7</b>	<b>0.7</b>	<b>66</b>	<b>83.7</b>

Accounting standards (IFRS 9) require the council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts are shown net of this loss allowance. The council, however, makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

### Risk Assessment

The council assesses the risk of loss before entering into and whilst holding service loans by approaching each loan request individually. The bulk of the council's loans are to its subsidiaries. When the council considers whether or not to create or acquire a subsidiary a full business case is prepared which sets out the optimal financing of the company. This will include an assessment of the market in which it will be competing, the nature and level of competition, how that market may evolve over time, exit strategy and

any ongoing investment requirements. External advisors are used where appropriate to complement officer expertise and second opinions from alternate advisors is sought in order to monitor and maintain the quality of advice provided by external advisors.

Other service loans are evaluated against a set of criteria designed to demonstrate:

- Evidence of project objectives and needs analysis is provided
- The loan must have a demonstrable community impact
- The loan would provide up to 50% of the whole project cost
- Such a loan can only be applied for by constituted voluntary organisations with their own bank account; Town or Parish councils; charitable organisations
- The loan cannot be applied retrospectively
- The applicant has provided evidence of its financial stability and of its ability to manage the proposed scheme.
- Appropriate checks have been carried out on the owners of the organisations to be satisfied as to their integrity and to avoid any potential embarrassment to the Council.
- The applicant has demonstrated that the proposed scheme has been developed following good practice in terms of planning, procurement, and financial appraisal.
- The applicant has provided evidence the affordability of their proposed scheme and the loan repayments
- That the project furthers the council's priorities as reflected in its Business Plan

## **B4. Service Investments: Share Capital**

The council invests in the shares of its subsidiaries to support local public services and stimulate local economic and housing growth. The council currently holds shares in Graven Hill Holding Company Ltd, Graven Hill Development Company Ltd and Crown House Banbury Ltd.

One of the risks of investing in shares is that the initial outlay may not be recovered. To limit this risk, upper limits on the sum invested in each category of shares are set as part of the Investment strategy. For 24/25, this limit was raised by £10m to allow for a potential increase in the equity investment in Crown House, however the council decided in 24/25 not to increase this equity investment and so the approved limit has returned to the £35.7m it was previously. Table B4.1 below shows the most recent values and the limit.

**Table B4.1: Fair Value of Share Capital Investments**

Category of company	31 <sup>st</sup> March 2024 actual			2025/26
	Amounts invested	Gains or losses	Value in accounts	Approved Limit
Subsidiaries	35.7	0	35.7	35.7
<b>TOTAL</b>				

The council assesses the risk of loss before entering into and whilst holding shares by maintaining close links with the Boards of Directors of the companies through an established Shareholder Committee. Risk is assessed as above in Service Loans.

The maximum periods for which funds may prudently be committed are assessed on a project-by-project basis. The decision will balance both the long-term viability of the subsidiary and the revenue and capital requirements of the council.

Shares are the only investment type that the council has identified that meets the definition of a non-specified investment in the Government guidance. The limits above on share investments are therefore also the Council's upper limits on non-specified investments. The council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

## B5. Service Investments: Property

The council invests in local property in two ways: by acquiring new assets and by enhancing existing assets to help provide and meet the needs of its residents and businesses. For example, the council has recently acquired land to relocate and expand its Environmental Services Depot in Bicester to accommodate growth across the district. The Capital Programme includes significant investment over the next five years, which includes:

- Development of the new Bicester Depot
- Transforming Bicester Market Square
- Investing in Solar Panels and Solar Photovoltaic car ports at the Council's leisure and community centres
- Commitment of funding to net zero carbon projects

The council also continues to hold strategic assets that have received significant investment in recent years to regenerate town centres and generate income for the council, the largest of which include,

- Castle Quay Centre and Waterfront, Banbury;
- Pioneer Square, Bicester;
- Tramway Industrial Estate; Banbury.
- Town Centre House, Banbury

## Security

Under the statutory guidance on investments published by Central Government, the council should evaluate the security of its investments by conducting a fair value assessment against the capital invested. A fair value assessment is possible for assets held at fair value, i.e. properties valued annually as investment property (IAS 40 as adapted by the CIPFA code) or operational assets valued under Existing Use Value (EUV) where there is an active market for these types of assets.

Under the CIPFA code, operational assets are valued under the Existing Use Value approach. Existing Use valuations are conducted on assets that have service benefits, such as in provision of housing or in the delivery of regeneration objectives. Existing Use (EUV) valuations may in some circumstances be lower than Market Value due to EUV disregarding potential alternative uses of the asset. An assessment of the security of these assets is therefore made against valuations in Existing Use where Market Value is unavailable. Table B5.1 shows the latest fair value assessments of the council's high value strategic investments made in recent years:

**Table B5.1: Fair Value of High Value Investments in the Council's Strategic Assets**

Asset Name	Investment Cost (£m)	Book Value 31/03/2023 (£m)	Movement in Book Value (Revaluation + Depreciation) (£m)	Book Value 31/03/2024 (£m)	Gains/(Losses) in Book Value Recognised in Accounts (£m)	Last External Valuation Date
Castle Quay Waterfront, Hotel and Supermarket	68.3	29.4	(3.7)	25.7	(42.6)	31/03/2024
Castle Quay Shopping Centre	64.7	13.8	0.7	14.5	(50.2)	31/03/2024
Tramway Industrial Estate	9.6	9.1	(0.2)	8.9	(0.7)	31/03/2023
Pioneer Square	8.2	4.4	0.9	5.3	(2.9)	31/03/2024
<b>Totals</b>	<b>150.8</b>	<b>56.7</b>	<b>(2.3)</b>	<b>54.4</b>	<b>(96.4)</b>	

The decline in book values have been driven by multiple factors, particularly the changing nature of town centres and the retail market nationwide.

Book gains and losses are recognised in the Council's statutory accounts to reflect fluctuations in asset values and represent a snapshot of the Council's financial position as at a balance sheet date. Cash movements against the original capital investment are therefore not realised until an asset is disposed of.

The council recognises that property valuations are important. In the long term, valuations generally increase as a factor of the economy. With careful management of assets and lets, the council anticipates that, over time, income rental yields will improve and be reflected in the valuations. Notwithstanding, the council continues to realise property investment benefits through other non-financial factors such as regeneration and place shaping, and through revenue receipts which will help finance the capital investment.

Whilst strategically important, property valuations do not have a direct impact on the council's day-to-day financial standing. The council has prudently budgeted for the debt servicing costs on these investments and continues to receive income from the assets to support the financing of the investments. Many of the assets are long-term for the council, with current and future service benefits that also need to be taken into consideration in evaluation of the investment. As detailed in section A6 of the capital strategy, the council deems its capital investment plans to be affordable, prudent, and sustainable.

The Council's strategic asset review is still in progress, and whilst no firm decisions have been made, action is being taken to identify ways to maximise the economic and service benefits from the Council's property. Repurposing of space is a key factor the council is considering for its assets. For example, the repurposing of retail units to office space as part of the council office relocation to Castle Quay project, which was approved in the previous financial year, is well underway and due to complete in February 2025. In moving to Castle Quay, it is expected that the Council's current headquarters Bodicote House will be

sold to generate a capital receipt. As discussed in section A4 of the Capital Strategy, standard practice is for capital receipts to be used to reduce the Council's existing debt (the CFR).

By reconsidering asset use of and repurposing space to maximise service and economic benefits delivered by property assets, the council anticipates that the corresponding valuations will increase in the future. Valuations will, however, depend on market sentiment and national economic conditions.

It should be noted that the security of investment is not only considered through annual fair value assessment. Assets that generate income to the council contribute to the overall business case and therefore whilst capital values may fluctuate, income generated from property assets may be considered secure in accordance with the lease terms granted, tenant performance, and asset obsolescence.

## Risk assessment

The council assesses the risk of loss before entering and whilst holding property investments by cash flow modelling the income and expenditure profile of each investment and interrogating that model across a range of scenarios to test the robustness of the investment. The modelling exercise is informed by the likelihood of tenant default and the chances that individual units will become empty during the hold period.

The property investment market is dynamic, and the council is kept abreast of developments by frequent communication and established relationships with local and national agents, supplemented by in-house investigations and reading of published research. The Council's focus is on assets that are local and help to deliver the strategic aims of the council.

In all acquisitions the council takes external advice from acknowledged experts in the field and sense-check their input against our in-house knowledge, experience, and expertise. The advice sourced covers market value but also, letting risk, marketability and occupational demand, and likely expenditure over the hold period.

The council uses a number of local and national advisors and cross reference their views periodically. There is no single party or firm which expects to be instructed by the council without competition.

Credit ratings are used on acquisitions, new lettings and when tenants request consent to assign their leases. The council uses D&B ratings as well as reviewing the published accounts of tenants or potential tenants.

A number of other strategies are used to mitigate risk:

- Tenant rent payment histories are analysed on any acquisition.
- Tenant rent payment patterns and arrears are examined in the existing portfolio.
- to the investment.
- Introducing agents advise the council throughout the acquisition process and their advice includes market commentary at a national and a local level and commentary on perceived risks
- In tandem with the above every acquisition is subject to a third-party RICS Red Book valuation by qualified surveyors who are independent i.e., not acting for the council or the vendor on the acquisition.
- Performance of due diligence enquiries about potential incoming tenants and occupiers
- Use of mechanisms such as rent deposits and guarantees to reduce risk.

## Liquidity

Compared with other investment types, property is relatively difficult to sell to convert to cash at short notice and can take a considerable period to sell in certain market conditions. To ensure that the invested funds can be accessed when they are needed, for example to repay capital borrowed, the council acknowledges illiquidity as a risk in property and whilst it cannot be avoided the risk is mitigated by the following strategies:

- The council invests across a diverse range of sectors and lot sizes. This affords the council the ability to access a range of purchaser types e.g., small local investors, listed property companies or institutions.
- The council does not invest in high-risk assets which can be the most illiquid of all other than for the purposes of delivering regeneration which has a different investment objective from pure revenue or capital return.
- Some of the Council's investments are not what is termed 'Investment Grade', but they are fundable – i.e., if sold they could be suitable for debt backed investors
- The council does not invest in specialist properties (other than those that are for service purposes, such as community centres), where the market tends to be most illiquid.
- The Council's assets are uncharged. It is often lenders who require assets to be sold and whilst gearing does not increase illiquidity per se, it can expose an owner to greater risk of selling an illiquid asset at an inopportune time.
- The Council's plans do not require the sale of assets (except in the case of relocating council headquarters to Castle Quay, which requires the sale of Bodicote House to fully finance)

## B6. Loan Commitments and Financial Guarantees

Although not strictly counted as investments, since no money has exchanged hands yet, loan commitments and financial guarantees carry similar risks to the council and are included here for completeness.

The council has contractually committed to the following loan, bond, and guarantee amounts:

**Table B6.1: Loan Commitments, Bonds and Guarantees**

Borrower	Purpose	£m Contractually Available
Graven Hill Village Development Company Ltd	Revolving Credit Facility available to the council's subsidiary until 2026	17.0
Graven Hill Village Development Company Ltd	Bonds and Guarantees in place	1.4
Graven Hill Village Development Company Ltd	Bond and Guarantees agreed in principle	10.3
<b>TOTAL</b>		<b>28.7</b>

## B7. Capacity, Skills and Culture

### Elected members and statutory officers

The senior statutory officers are qualified to degree level and have appropriate professional qualifications. Their shared business experience encompasses both the public, private and third sectors.

Training and guidance are provided to support members in delivering their roles and support effective decision making.

### Investments

Negotiations are either undertaken directly by Assistant Directors or at a senior level with Assistant Director direct involvement and oversight, alongside input from Directors and Lead Members where required. Assistant Directors are aware of the regulatory regime and convey that to all junior staff.

### Corporate governance

There are appropriate corporate governance measures in place which comprise end to end decision making procedures. These include risk assessments within the organisation; presentation to relevant committees including Members, statutory officers' approvals, and relevant project boards.

## B8. Investment Indicators

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council's total risk exposure resulting from its investment decisions.

### Total risk exposure

The first indicator shows the council's total exposure to potential losses in investment book value (i.e. losses not already recognised on balance sheet) which includes amounts the council is contractually committed to lend but have yet to be drawn down and guarantees the council has issued over third-party loans and the council's high value property assets. These risks are managed by the council operating within the Treasury Management, Capital and Investment Strategies and strict governance arrangements around the council subsidiary Companies.

**Table B8.1: Total investment exposure in £ millions**

Total investment exposure	31/03/2024 Actual	31/03/2025 Forecast	31/03/2026 Forecast
Treasury management investments*	21.9	3.8	6.6
Service investments: Loans**	57.2	57.1	56.9
Service investments: Shares	35.7	35.7	35.7
Service investments: Property***	54.4	61.0	61.3
<b>TOTAL INVESTMENTS</b>	<b>169.2</b>	<b>157.6</b>	<b>160.2</b>
Commitments to lend	17.0	17.0	17.0
Bonds & Guarantees in place and agreed in principle	22.4	11.7	3.1
<b>TOTAL INVESTMENT EXPOSURE</b>	<b>208.6</b>	<b>186.2</b>	<b>180.3</b>

\*The investment forecast for 2025/26 is as per the MTFs budget and includes a forecast loan necessary for the Council to maintain its professional client status with its providers of financial services. This figure will differ from table 1.3 in the Treasury Management Strategy, as that only takes loans already committed to, into account.

\*\*Loans as per the investment funded by borrowing (excluding interest income) as per Table B8.2

\*\*\*As per the net book value in Table B5.1 for 2023/24 and 2024/25 property investments

### How investments are funded

Government guidance is that these indicators should include how investments are funded. Since the Authority does not normally associate specific assets with specific liabilities, this guidance is difficult to comply with. However, the following investments could be described as funded by borrowing. The remainder of the Authority's investments are funded by usable reserves and income received in advance of expenditure.

**Table B8.2: Investments funded by borrowing in £ millions**

Investments funded by borrowing	31/03/2024 Actual	31/03/2025 Forecast	31/03/2026 Forecast
Service investments: Loans	57.2	57.1	56.9
Service investments: Shares	35.7	35.7	35.7
Service investments: Property	172.9	168.1	168.7
<b>Total Funded by Borrowing*</b>	<b>265.8</b>	<b>260.9</b>	<b>261.3</b>

*\*The total funded by borrowing represents the gross expenditure incurred on these types of investments which form part of the Council's CFR. MRP (see Annex A) made to date on these investments has not been included in this total.*

### Rate of return received

This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested by the council. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred

**Table B8.3: Investment rate of return (net of all costs)**

Investments net rate of return	2023/24 Actual	2024/25 Forecast	2025/26 Forecast
Treasury management investments	5.1%	5.0%	4.5%
Service investments: Loans	7.0%	6.8%	5.9%
Service investments: Property	0.6%	1.3%	1.6%

Treasury management investments are made to deposit cash balances in facilities that offer security, liquidity and a financial return (in that order of priority). Service loan investments are required to be made at a rate of interest that complies with subsidy control regulations, and whilst financial return is not the primary purpose, may generate a higher return than treasury and property investments. The rate of return on property assets represents the return across property service investments in housing, car parks, property bought with regeneration objectives and other property. The council has invested in local housing projects which generate income at a below market rate, e.g., Affordable Housing. It is therefore not unexpected that Property investments may generate a lower return than other forms of investment the council undertakes as set out in this strategy.



# Annex A – Annual Minimum Revenue Provision (MRP) Statement

## MRP Summary

Where the council finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP). The council is required by statute to charge an amount of MRP to the General Fund Revenue account each year for the repayment of debt. The MRP charge is how capital expenditure which has been funded by borrowing is paid for by council taxpayers. Legislation requires local authorities to draw up a statement of their policy on the annual MRP, for full approval by Council before the start of the financial year to which the provision will relate.

The statutory guidance<sup>[1]</sup> on MRP outlines 4 ready-made options for calculating prudent provision:

- Option 1 – Regulatory Method
- Option 2 – CFR Method
- Option 3 – Asset Life method a and b
  - Option 3a – *Straight Line*
  - Option 3b – *Annuity*
- Option 4 – Depreciation Method

Options 1 and 2 can only be used for capital expenditure incurred prior to 1 April 2008 (supported capital expenditure). These options are therefore unavailable to the council as it has no supported capital balances within its Capital Financing Requirement (CFR).

## MRP Statement

The council is recommended to approve the following statement:

- For unsupported capital expenditure incurred on fixed assets after 31st March 2008 and not acquired under a finance leasing arrangement, MRP will be determined using **option 3b (Annuity method)** of the statutory guidance on MRP starting in the *year after* the asset becomes operational.
- MRP on the acquisition of share capital in a subsidiary company will also be calculated using **option 3b** of the statutory guidance.
- For capital expenditure incurred in the advancing of loans to third parties that are delivering service objectives on behalf of the council, such as subsidiary companies, MRP will be charged at an amount equal to any increase in expected credit losses on the loans recognised in the financial year in accordance with IFRS 9.
- Repayments of loan principal on capital loans will be treated as capital receipts and applied to the capital adjustment account to clear any unfinanced capital spend associated with the original loan advancement, reducing the Council's overall capital financing requirement.
- Capital expenditure incurred on acquiring assets under finance leases will have an MRP charge made equal to the capital rent payment made to reduce the lease liability in year.

- Capital expenditure incurred in 2025/26 will not be subject to an MRP charge until 2026/27 at the earliest.

For **option 3b**, under statutory guidance:

- “MRP is the principal element for the year of the annuity required to repay over the asset’s useful life the amount of capital expenditure financed by borrowing or credit arrangements, using an appropriate rate of interest.” In simpler terms, this is equivalent to the MRP charge matching the capital repayment profile of a mortgage or a finance lease arrangement, with payments taking place over the life of the asset and using an appropriate rate of interest to determine the annual amount.
- Adjustments to the calculation to take account of repayment by other methods during repayment period (e.g., by the application of capital receipts) will be made as necessary.

As external debt balances cannot be directly linked to specific capital expenditure (external debt is a Treasury Management function) the council has determined an *appropriate* interest rate to be the Public Works Loans Board (PWLB) rate available for an annuity-based loan, with a repayment lifetime that matches the estimated useful life of the underlying asset. The PWLB rate used is taken from on the PWLB website <sup>[2]</sup> and will be the rate available on the first working day of the financial year in which the expenditure is incurred.

Indicative annuity rates used in the Council’s MRP calculation are shown below which are then further reduced by 0.2% for use in the MRP calculation, in accordance with the borrowing discount available to Local Authorities:

PWLB Borrowing Rates		Loan Term/Asset Life				
Publication Date/Time	Year	10	20	30	40	50
02/04/2024 09:04:00	2024/25	4.88%	5.10%	5.41%	5.48%	5.45%
03/04/2023 09:15:48	2023/24	4.49%	4.60%	4.86%	4.89%	4.82%
01/04/2022 12:19:13	2022/23	2.50%	2.69%	2.85%	2.86%	2.80%
01/04/2021 09:08:50	2021/22	1.43%	1.97%	2.28%	2.41%	2.42%
01/04/2020 12:28:08	2020/21	2.13%	2.32%	2.60%	2.76%	2.77%
01/04/2019 12:13:33	2019/20	1.74%	2.09%	2.44%	2.60%	2.59%
03/04/2018 12:15:35	2018/19	2.07%	2.46%	2.67%	2.75%	2.72%
03/04/2017 12:15:31	2017/18	1.49%	2.18%	2.62%	2.80%	2.78%
01/04/2016 12:15:18	2016/17	1.86%	2.59%	3.08%	3.31%	3.32%
01/04/2015 12:15:49	2015/16	2.13%	2.72%	3.08%	3.29%	3.34%
01/04/2014 12:15:51	2014/15	2.96%	3.95%	4.34%	4.47%	4.50%

## Calculation of the CFR

As per the requirements of the CIPFA Prudential Code, the council calculates its Capital Financing Requirement by consolidating the following elements of the balance sheet:

- Non-current tangible assets (i.e. property, plant and equipment, heritage assets, investment properties and non-current assets held for sale);
- Intangible assets – non current;
- Long-term debtors relating to capital transactions (where applicable);
- investments that treated as capital expenditure under proper practices or applicable regulations;
- Revaluation reserve;
- Capital adjustment account;
- Donated assets account;

- Other items on the Balance Sheet that relate to capital expenditure but excluding the underlying liability.

This is known as the balance sheet CFR.

The CFR can also be calculated year-on-year by taking the opening CFR and consolidating with in-year:

- Capital expenditure (acquisitions, enhancements, loans and investments)
- Capital financing applied to the capital adjustment account (capital grants, receipts, loan repayments)
- Donated assets
- Minimum Revenue Provision

This is the method prescribed by the CIFPA code on Local Authority Accounting and is disclosed as part of the Council's annual statement of accounts. Reconciliation of the two CFR methods is undertaken annually as part of year-end accounting procedures.

### Amounts in the CFR excluded from MRP

In-line with the revised guidance from government published 10<sup>th</sup> April 2024<sup>[1]</sup>, the council has opted to not charge MRP in relation to the CFR for service loans to its subsidiary companies beyond the expected credit losses on the loans recognised in year. The council expects all service loans to be repaid in full and therefore the borrowing in relation to these loans will be financed by the capital receipt upon repayment. However, in line with International Financial Reporting Standard 9, the council should make an allowance for expected credit losses – that is an allowance reflecting the risk that the council does not receive all interest and principal due to them under the loan agreement – even if the risk of this is very low. It is therefore prudent to charge minimum revenue provision in line with the expected credit loss allowance to reflect the small chance that the council does not receive all of the principal at the end of the loan and so is not able to repay its borrowing. As the expected credit loss allowance for each loan is remeasured each year, any change in the risk of default is captured and therefore is also reflected in the MRP charge. As the current risk of default is low the council is satisfied that this approach is prudent, however if the risk of default becomes significant then the council would consider whether a further MRP charge would be required.

### MRP Factors and Assumptions

As part of the 2023/24 Capital Strategy, Full Council approved a change of MRP approach from option 3a (Straight-line) to 3b (Annuity) for Fixed Assets, Capital Loans and Share Capital investments. The annuity approach helps to more fairly distribute capital financing costs to the taxpayer over the lifetimes of the assets invested in when factoring the time value of money. This was in recognition that the council has primarily invested in assets which are expected to have long-term benefits to the taxpayer, with benefits expected to be realised over 50 years, meaning that the effects of the time value of money are significant.

#### The Time Value of Money

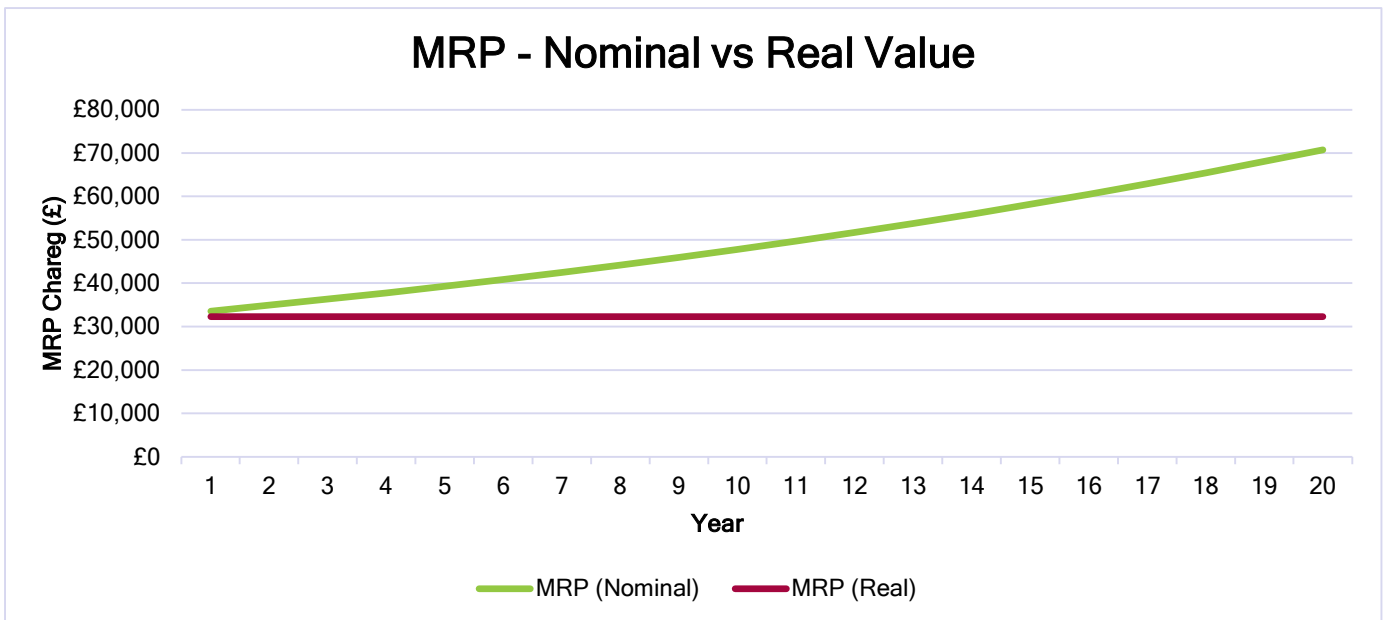
An annuity based MRP approach enables a fairer distribution of MRP across the lives of the assets invested in due to the time value of money – i.e. that the money is worth more today than in the future. The value of money can be thought of in terms of its nominal value, what money is worth in today's terms, and its real value – its actual worth at a given point in the future based on current expectations around interest rates and inflation. When interest rates are high, the effects of the time value of money are more prominent.

MRP is one of two elements that make up the cost of capital financing, the other being interest payable. When examining an annuity approach, it useful to compare the repayment profile to that of a mortgage

agreement. Whilst a mortgage has a fixed repayment profile over a given period (assuming a fixed rate of interest), the split between the amount paying off interest (revenue) and the amount paying off the capital element of the mortgage changes with time. At the start of the loan, a greater proportion of the total cost of borrowing is paid towards interest, as the principal balance outstanding on the loan is higher. The interest element decreases over time as the principal balance reduces, and as the interest reduces, more capital is paid towards the principal. MRP therefore represents the capital element of the mortgage in this scenario. The effect of this is that the MRP charge is factoring in the time value of money, and whilst the nominal value of MRP increases with time, its real value remains constant, meaning there is no increased burden on the future taxpayer.

The below table and graph demonstrate this effect for a capital investment of £1m at an interest rate of 5% with an asset life of 20 years.

**Figure AN1.0 : Example Financing Costs Graphical Representation**



**Interest Rates**

The assumption made for the MRP calculation is that the interest rate remains fixed over the life of the asset and that it matches the presiding PWLB rate at the time the expenditure was incurred.

In practice, decision on loans from the PWLB are taken as part of the treasury management, therefore actual loans may have different rates of interest, repayment profiles and maturity dates. Loans may not necessarily be repaid in instalments, but instead repaid in full on a fixed maturity date. The council in setting aside MRP, may not necessarily have any loan principal payment obligations until far into the future. MRP therefore acts as provision to repay external debt rather than as an actual repayment. In making MRP independent of actual loan principal repayments, the council is setting aside cash balances that can generate interest receivable. This has the effect of reducing the net capital financing costs to the corporate revenue budget in years when no principal repayments are due, having a similar effect to that of a capital repayment of a loan in instalments reducing interest payable.

The council recognises that the loans it takes from PWLB are in some cases going to mature earlier than when MRP can be fully provided to repay the loan and will therefore require refinancing in the future to meet existing loan obligations. This does expose the council to future interest rate and refinancing risks which are addressed and managed as part of the Council's Treasury Management Strategy and function.

### Asset Lives in the MRP Calculations

The statutory guidance on MRP provides maximum useful lives for the purposes of calculating MRP. To simplify the MRP calculation, the council applies approximated useful lives based on the type of expenditure incurred. This results in a less labour-intensive calculation whilst ensuring the MRP is materially accurate and commensurate with the period over which the expenditure is expected to provide benefits. These lives will not exceed the maximum permitted by the guidance.

The useful life ranges are detailed in the table below:

Expenditure Type	Useful Life
Acquisition of Land	50 years
Acquisition of Buildings	20-50 years
Acquisition of Plant	10-20 years
Acquisition of Equipment	5-20 years
Enhancements to buildings (fitting out of space, replacement roofs etc.)	15-20 years
Home Adaptions under the Disabled Facilities Grants Scheme	5-15 years
Acquisition of Share Capital in a Subsidiary	20 years
Acquisition and Enhancement of on-premises Computer Software	1-5 years

### Future MRP Considerations

The council recognises that the interest rates and inflation determine the time value of money and are likely to fluctuate over the lifetime of MRP for long-term assets. As such, the council will review the suitability of the annuity based method annually to ensure it remains appropriate. If interest rates decrease significantly, the current annuity model may no longer be the most appropriate methodology.

[1] – Statutory Guidance on Minimum Revenue Provision

<https://www.gov.uk/government/publications/capital-finance-guidance-on-minimum-revenue-provision-third-edition/capital-finance-guidance-on-minimum-revenue-provision-5th-edition>

[2] – PWLB Lending Facility Rates

<https://www.dmo.gov.uk/responsibilities/local-authority-lending/historical-interest-rates/>

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# **Treasury Management Strategy Statement 2025/2026**



**Cherwell**

**DISTRICT COUNCIL  
NORTH OXFORDSHIRE**

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## **1. Introduction**

The council is required to operate a balanced revenue 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 other 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 it 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, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

The contribution the treasury management function makes to the Authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

*“The management of the local authority's borrowing, investments and cash flows, including 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.”*

Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day-to-day treasury management activities.

### **1.1 Treasury Management Reporting**

The aim of the strategy is to ensure that all the council's elected members fully understand the overall long-term policy objectives and resulting Treasury Strategy requirements, governance procedures and risk appetite.

The council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals. All of these reports will first be reviewed Accounts, Audit and Risk Committee before being recommended to council.

- a. **Treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers how the investments and borrowings are to be organised and setting treasury indicators
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the Treasury position, prudential indicators, and whether any policies require revision.
- c. **An annual treasury report** – This is a backward-looking review document and 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 Full Council. This role is undertaken by the Accounts, Audit and Risk Committee.

**Quarterly reports** – In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) has also been required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Accounts, Audit and Risk Committee.

## **1.2 Treasury Management Strategy for 2025/26**

The strategy for 2025/26 covers the following Treasury management issues:

- the current treasury position
- treasury indicators which 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
- the policy on use of external service providers

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

### **1.3 Training**

The CIPFA Treasury Management Code requires the Section 151 Officer, as the responsible officer, to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

Furthermore, pages 47 and 48 of the Code state that they expect “all organisations to have a formal and comprehensive knowledge and skills or training policy for the effective acquisition and retention of treasury management knowledge and skills for those responsible for management, delivery, governance and decision making. The scale and nature of this will depend on the size and complexity of the organisation’s treasury management needs.

As a minimum, the council should carry out the following to monitor and review knowledge and skills:

- Record attendance at training and ensure action is taken where poor attendance is identified.
- Prepare tailored learning plans for treasury management officers and board/council members.
- Require treasury management officers and board/council members to undertake self-assessment against the required competencies. CIPFA’s Better Governance Forum and Treasury Management Network self-assessment by members responsible for the scrutiny of treasury management will be used.
- Have regular communication with officers and board/council members, encouraging them to highlight training needs on an ongoing basis.

The training needs of treasury management officers are periodically reviewed.

### **1.4 Treasury Management Consultants**

The council uses MUFG Corporate Markets (previously known as Link Treasury Services) as its external treasury management advisors.

The council recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed upon the

services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services 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.

## 1.5 Treasury Management Portfolio

1.5.1 The overall treasury management portfolio as at 31.3.24 and for the forecast position as at 31.03.25 are shown below for both borrowing and investments.

Table 1: Overall treasury management portfolio

<b>TREASURY PORTFOLIO</b>				
	actual	actual	forecast	forecast
	<b>31.3.24</b>	<b>31.3.24</b>	<b>31.3.25</b>	<b>31.3.25</b>
<b>Treasury investments</b>	£000	%	£000	%
Banks		0%		0%
Building societies - unrated		0%		0%
Building societies - rated		0%		0%
Local authorities	13,000	59%	5,000	39%
DMADF (H.M.Treasury)		0%		0%
Money Market Funds	8,920	41%	7,821	61%
Certificates of Deposit		0%		0%
<b>Total managed in house</b>	<b>21,920</b>	<b>100%</b>	<b>12,821</b>	<b>100%</b>
Bond Funds		0%		0%
Property Funds		0%		0%
<b>Total managed externally</b>	<b>0</b>	<b>0%</b>	<b>0</b>	<b>0%</b>
<b>Total treasury investments</b>	<b>21,920</b>	<b>100%</b>	<b>12,821</b>	<b>100%</b>
<b>Treasury external borrowing</b>				
Local Authorities	15,000	8%	35,000	19%
PWLB	166,000	92%	145,000	81%
LOBOs		0%		0%
<b>Total external borrowing</b>	<b>181,000</b>	<b>100%</b>	<b>180,000</b>	<b>100%</b>
<b>Net treasury investments / (borrowing)</b>	<b>(159,080)</b>	<b>-</b>	<b>(167,179)</b>	<b>-</b>

## 1.6 Balance sheet summary and forecast

1.6.1 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

1.6.2 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the council's total debt should be lower than its highest forecast CFR over the next three years. The table above shows that the council expects to comply with this recommendation.

Table 2: Balance sheet summary and forecast

	<b>31.3.24 Actual £m</b>	<b>31.3.25 Estimate £m</b>	<b>31.3.26 Forecast £m</b>	<b>31.3.27 Forecast £m</b>	<b>31.3.28 Forecast £m</b>
General Fund CFR	234.4	243.2	239.8	236.9	233.7
Less: External borrowing	(181.0)	(180.0)	(179.0)	(178.0)	(173.0)
Less: Service Loans and lease liability	0.0	0.0	0.0	0.0	0.0
<b>Internal/(over) borrowing</b>	<b>53.4</b>	<b>63.2</b>	<b>60.8</b>	<b>58.9</b>	<b>60.7</b>
Usable reserves	(50.7)	(43.6)	(44.9)	(45.5)	(46.6)
Working capital	(24.6)	(23.6)	(22.6)	(21.6)	(20.6)
Usable reserves and working capital less internal borrowing equals <b>Investments / (borrowing)</b>	<b>21.9</b>	<b>4.0</b>	<b>6.7</b>	<b>8.2</b>	<b>6.5</b>

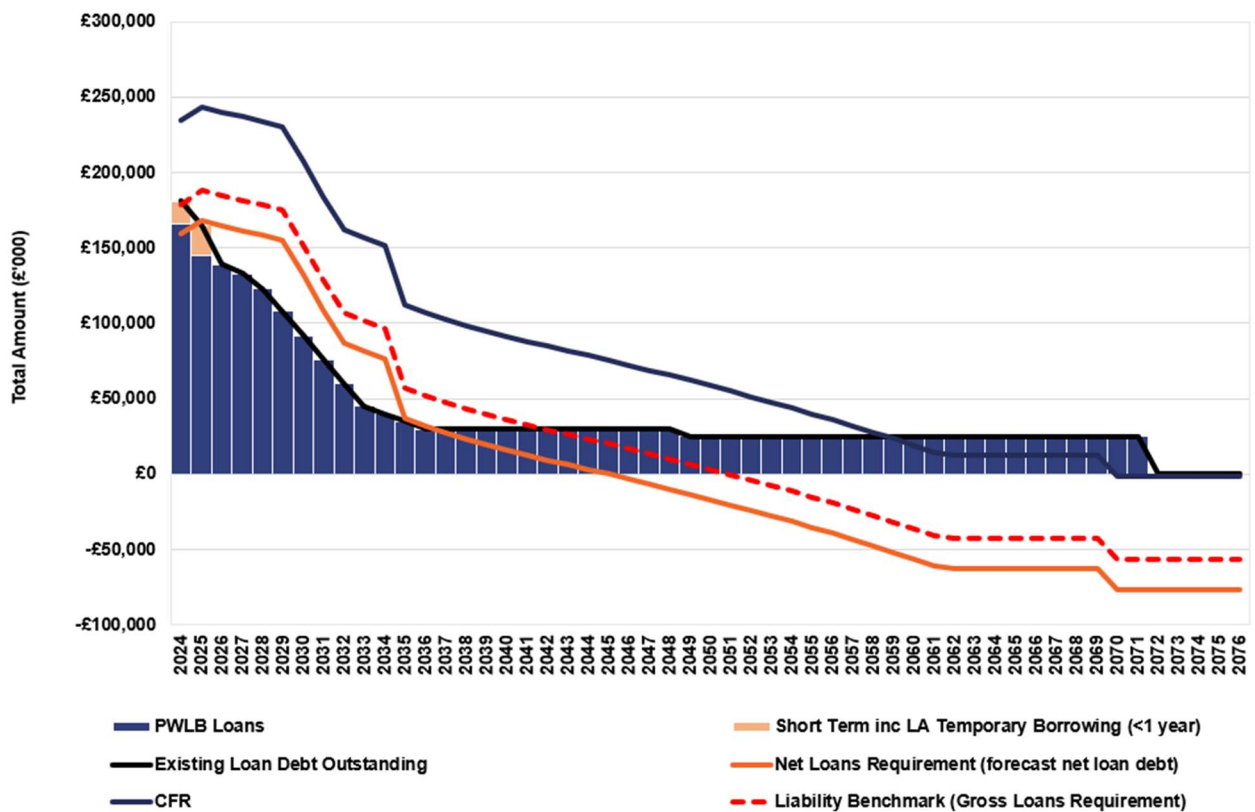
## 1.7 Liability Benchmark

1.7.1 The council is pleased to include the Liability Benchmark (LB) as a prudential indicator for 2025/26 in this report. The council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

1.7.2 There are four components to the LB:

- a.) **Existing loan debt outstanding:** the council's existing loans that are still outstanding in future years.
- b.) **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned Minimum Revenue Provision (MRP.)
- c.) **Net loans requirement:** this will show the council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
- d.) **Liability benchmark (or gross loans requirement):** this equals net loans requirement plus short-term liquidity allowance.

Table 3: Liability Benchmark



1.7.3 This graph is based only on approved activities in the current and proposed capital programme and it therefore assumes there are no future capital investments beyond what is included in the capital programme. This graph is not a forecast but a snapshot of the council's current commitments and loans. The difference between net loan requirement and CFR is made up of internal borrowing.

1.7.4 The LB graph above demonstrates that the council is in an under borrowed position until 2044. Using the current data available the CFR may be nil by 2068 and the estimated internal borrowing currently used to finance the CFR can be invested as the CFR reduces.

## 1.8 General Balances & Reserves and Expected Investment Balances

1.8.1 Internal borrowing is possible because of the council's General Balances and reserves as laid out in the table below. These funds can be used to finance capital expenditure or other budget decisions to support the revenue budget, but it is important that there is enough liquidity to ensure that should the funds be called upon that the council would not be forced to borrow in an unfavourable position.

1.8.2 The other component within this table is working Capital which is made up of a combination of debtors, creditors, long term liabilities and non-capital deferred credits / receipts.

Table 4: General Balances & Reserves and Expected Investment Balances

Year End Resources £m	2023/24 Actual	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate
Collection Fund Adjustment Account	1.5	(0.1)	0.0	0.0	0.0
General Balances	6.1	6.2	6.2	6.2	6.1
Earmarked Reserves	30.9	28.6	29.8	30.4	31.5
Revenue Grants	5.9	5.9	5.9	5.9	6.0
Capital Reserves	6.3	3.0	3.0	3.0	3.0
<b>Usable reserves</b>	<b>50.7</b>	<b>43.6</b>	<b>44.9</b>	<b>45.5</b>	<b>46.6</b>
Working capital*	24.6	23.6	22.6	21.6	20.6
Internal/(over) borrowing	53.4	63.2	60.8	58.9	60.7
Usable reserves and working capital less internal borrowing equals <b>Investments / (borrowing)</b>	<b>21.9</b>	<b>4.0</b>	<b>6.7</b>	<b>8.2</b>	<b>6.5</b>

\*Working capital balances shown are estimated year-end; these may vary midyear

## 1.9 Treasury Management Indicators

The council measures and manages its exposures to treasury management risks using the following indicators.

- 1.9.1 **Interest rate exposures for both borrowing and investing:** This indicator is set to control the council's exposure to interest rate risk. The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates. The upper limits on the one-year revenue impact of a 1% rise or a 0.75% fall in interest rates will be:

Table 5: Interest rate exposures for both borrowing and investing in 25/26

Interest rate risk indicator	Impact	Limit
Upper limit on one-year revenue impact of a 1% rise in interest rates	Borrowing: The revenue impact would only affect the cost of refinancing maturing loans	£290,000
	Investments: As the council maintains short investment terms (average 32 days in 24/25) this would increase in revenue for investments	£262,500
Upper limit on one-year revenue impact of a 0.75% fall in interest rates	Borrowing: Falling interest rates would result in a savings in the cost of refinancing maturing loans	£217,500
	Investments: As the council maintains short investment terms (average 32 days in 24/25) this would decrease investments returns	£196,875

\*calculations based on the 25/26 budget

- 1.9.2 **Maturity structure of borrowing:** The council monitors its exposure to refinancing risk with the maturity structure of borrowing indicator. The practice of setting a 'maturity structure of borrowing' aims to profile the maturity dates of borrowing so that loans don't all mature at once as this exposes the council to refinancing risk. As an example, if all of the council's loans had matured in the last 6 months, the council would have been forced to refinance at the higher interest rates than budgeted for. Instead, the council's loan maturity dates are spread out. Even if rates are still high when the council needs to refinance some of the first loans in the portfolio to mature, at least the council is only exposed to the higher interest rates on those loans, and not all loans. The upper and lower limits on the maturity structure of borrowing will be as per Table 6 below:



Table 6: Maturity structure of borrowing limits in 25/26

Refinancing rate risk indicator	Upper limit	Lower limit
Under 12 months	50%	0%
12 months and within 24 months	50%	0%
24 months and within 5 years	60%	0%
5 years and within 10 years	70%	0%
10 years and above	80%	0%

- 1.9.3 The upper limit should always be reviewed in line with the Liability benchmark to ensure that refinancing risk is mitigated. While it is important to have flexibility to navigate changing market conditions it is critical that loan repayments are spread appropriately. The lower limit has been considered but kept at zero to ensure that the council is not forced into taking borrowings in a particular category that would lock us into an unfavourable borrowing situation. The council feels that having no set lower limit gives officers the best flexibility to react to the economic climate. For example, if a lower limit for 10-year borrowing was set it may force the council to take out loans of that term when rates are high, rather than the council's preferred strategy of borrowing for shorter periods (still spread out) until rates begin to settle at the level the council's advisors believe will be the new "normal".
- 1.9.4 Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. The upper and lower limits as shown above provide the scope to accommodate new loan(s) in the most appropriate maturity band at the time of borrowing.
- 1.9.5 **Investment treasury indicator and limit** - total principal funds invested for greater than 365 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 following treasury indicator and limit:

Table 7: Long term investment limits

	2024/25	2025/26	2026/27
Upper limit for principal sums invested for longer than 365 days	£5m	£5m	£5m
Current investments as at 31.12.2024 in excess of 1 year maturing in each year	Nil	Nil	Nil

## 1.10 Financial implication of the 25/26 Treasury budget

- 1.7.1 The budget for treasury investment income in 2025/26 is £0.886m, based on an average investment portfolio of £26m at an average interest rate of 3.38%. This is a decrease from the £1.150m budgeted for in 2024/25, based on an average investment portfolio of £28m at an average interest rate of 5.08%.
- 1.7.2 The budget for committed debt interest payable in 2025/26 is £4.851m, based on an average debt portfolio of £179m at an average interest rate of 2.71%. This is an increase from the 2024/25 budget of £4.711m, based on an average debt portfolio of £187m an average interest rate of 2.52%.
- 1.7.3 If actual levels of investments and borrowing, or interest rates, differ from those forecasts, performance against budget will be correspondingly different.

## 2 Borrowing

### 2.1 Borrowing Strategy

- 2.1.1 The council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the council's reserves, balances and cash flow has been used as a temporary measure (as detailed in table 4.) This strategy is prudent as medium and longer dated borrowing rates are expected to slowly start reducing until they settle at around 3% in 2027/28.
- 2.1.2 Against this background and the risks within the economic forecast, caution will be adopted with the 2025/26 treasury operations. The S151 Officer, using information supplied by the council's Treasury Advisors, will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances for example:
- *if it was felt that there was a significant chance of a sharp FALL in borrowing rates, then long term borrowing will be postponed.*
  - *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

It is important to note that decisions can only be taken based on the best information available at the time and cannot be taken with the benefit of hindsight.

2.1.3 Any significant decisions made by the S151 officer will be reported to the Accounts, Audit and Risk Committee (AARC) at the next available opportunity. In addition, the council may borrow further short-term loans to cover unplanned cash flow shortages.

2.1.4 **Forecast of borrowing rates:** It is expected that the Bank of England base rate will slowly reduce from its current forecast rate of 4.50% in March 2025 to 3.75% by March 2026.

## 2.2 Approved Sources of Long and Short-term Borrowing

	Fixed	Variable
Public Works Loan Board (PWLB) and any successor body	●	●
Any other UK public sector body e.g., other councils	●	●
Any other bank or building society authorised to operate in the UK	●	●
Any institution approved for investments (see below)	●	●
UK private and public sector pension funds (except Oxfordshire County Council Pension Fund)	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Overdraft	●	
Internal borrowing (capital receipts & revenue balances)		●

2.2.1 **Other sources of debt finance:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

	Fixed	Variable
Finance Leases	●	●
Hire purchase	●	●
Private Finance Initiative	●	●
Crowd Funding	●	●

## 2.3 Policy on Borrowing in Advance of Need

2.3.1 The council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be taken in consideration of the forecast Capital Financing Requirement, forecast interest rate changes, and will be considered carefully to ensure that value for money can be demonstrated and that the council can ensure the security of investing such funds.

- 2.3.2 Risks associated with any borrowing in advance of activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

## 2.4 Debt Rescheduling

- 2.4.1 As the council's PWLB loan portfolio has an average interest rate of 2.23% the PWLB would currently reward early repayment due to the discount rates on offer. For example, if the council repaid the £25m loan maturing in 2071 the PWLB would offer a 4.43% discount rate which would equate to £13.5m discount. However, a statutory override would require any discount to be amortised to revenue over 10 years, which reduces the initial revenue benefit. In addition, the council is currently in an under borrowed position and premature repayment would be problematic as loans at higher rates would need to be taken and this would create additional revenue cost. The option to reschedule existing loans will be reviewed on a regular basis and any decision making would be supported by a net present value appraisal, which would provide expected whole life net General Fund benefit.
- 2.4.2 If any loan rescheduling is to be undertaken, it will be reported to the Accounts, Audit and Risk Committee, at the earliest meeting following its action.

## 3 Investing

### 3.1 Investment strategy

- 3.1.1 The council's investment priorities will be **security first, portfolio liquidity second and then yield (return)**. The council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the council's risk appetite.
- 3.1.2 The council's strategy is to have regard to the **Environmental, Social and Governance** ("ESG") risks presented by its Counterparties. The Treasury function will favour any counterparty that offers "ESG" or 'green' investments as long as all investment criteria as laid out in this strategy are met.

It is important to note that excluding any one counterparty, on social norms or standards, will likely mean others will similarly have to be avoided and thus impact the council's capacity to mitigate risk through diversification.

- 3.1.3 In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

3.1.4 This council has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

- a.) Minimum acceptable **credit criteria** are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
- b.) **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
- c.) **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 3.1 (Table 8.)
- d.) **Transaction limits** are set for each type of investment in 3.2 (Table 9.)
- e.) This council will set a limit for its investments which are invested for **longer than 365 days**, (see point 1.9 Treasury Management indicators).
- f.) All investments will be denominated in **sterling**.
- g.) As a result of the change in accounting standards from 2022/23 under IFRS 9, this council will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.
- h.) However, this council will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance. Monthly monitoring of investment performance will be carried out during the year.

The above criteria are *unchanged* from last year.

### 3.2 Creditworthiness policy and approved counterparties limits

- 3.2.1 The council will only invest with counterparties with a long-term rating of A and above. The council's treasury advisors publish a bespoke approved counterparty list which is updated weekly. There is a limit of £3m per counterparty.
- 3.2.2 All other councils (Local Authorities) are approved counterparties subject to there not being a Section 114 notice in place. There is a limit of £5m per counterparty.
- 3.2.3 The council may invest unlimited amounts with the UK Government via the Debt Management Office (referred to as the DMADF.)

3.2.3 The council may invest its surplus funds with any of the counterparty types in the table below, subject to the cash limits (per counterparty) and the time limits shown.

Table 8: Approved investment counterparties and limits

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£3m 5 years	£3m 20 years	£5m 50 years	£3m 20 years	£3m 20 years
AA+	£3m 5 years	£3m 10 years	£5m 25 years	£3m 10 years	£3m 10 years
AA	£3 m 4 years	£3m 5 years	£5m 15 years	£3m 5 years	£3m 10 years
AA-	£3m 3 years	£3m 4 years	£5m 10 years	£3m 4 years	£3m 10 years
A+	£3m 2 years	£3m 3 years	£5m 5 years	£3m 3 years	£3m 5 years
A	£3m 13 months	£3m 2 years	£5m 5 years	£3m 2 years	£3m 5 years
A-	£3m 6 months	£3m 13 months	£5m 5 years	£3m 13 months	£3m 5 years
None*	None	None	£5m 2 years	None	None
<b>Pooled funds</b>		£5m per fund or trust			

\* Any other UK public sector body e.g. other councils

This table must be read in conjunction with the notes below:

**Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be taken into account.

**Banks unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Banks secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the 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.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and councils and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

**Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made following an external credit assessment.

**Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Pooled funds:** Shares or units in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. 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. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the council 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, their performance and continued suitability in meeting the council's investment objectives will be monitored regularly.

**Financial Derivatives:** The council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to

reduce the overall level of the financial risks that the council is exposed to. Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

**Operational bank accounts:** The council may incur operational exposures, for example through current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £50,000 per bank wherever possible e.g. except for overnight balances where funds are received during the day and it is too late to transfer to another counterparty. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the council maintaining operational continuity.

**Risk assessment and credit ratings:** Credit ratings are obtained and monitored by the council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made until it improves sufficiently to meet our minimum criteria,
- consideration of risk of default of existing investments and whether they can be recalled or sold at no cost will be made, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

**Other information on the security of investments:** The council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the council's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.



When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings but can be seen in other market measures. In these circumstances, the council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the council's cash balances, then the surplus will be deposited with the UK Government via the Debt Management Office or invested in government treasury bills for example, or with other councils. This will cause a reduction in the level of investment income earned but will protect the principal sum invested.

**Investment limits:** In order that the council's revenue reserves available to cover investment losses are not put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £5 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

### **3.3 Investment limits**

3.3.1 Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Assistant Director of Finance (S151 Officer) and staff, who must act in line with the treasury management strategy approved by council. Reports on treasury management activity are presented to the Accounts, Audit & Risk Committee. The Accounts, Audit & Risk Committee is responsible for scrutinising treasury management decisions.

3.3.2 To reduce risk, investment limits have been set, as laid out in Table 9 below:

Table 9: Monetary limit for investment types

	<b>Investment limit</b>
UK Central Government	Unlimited
Any single organisation, including UK public sector body e.g. other councils	£5m each
Any group of organisations under the same ownership	£5m per group
Any group of pooled funds under the same management	£5m per manager
Negotiable instruments held in a broker's nominee account	£3m per broker
Registered providers and registered social landlords	£10m in total
Unsecured investments with building societies	£10m in total
Loans to unrated corporates	£5m in total
Money market funds	£20m in total
Real estate investment trusts	£5m in total

3.3.3 The investment limit on money market funds has been increased from £15m in total to £20m. The council currently uses 5 money market funds that offer liquidity at very competitive market rates. The increase in the total investment limit would allow flexibility in determining whether to invest funds overnight in the DMADF (UK Debt Management Office) or in Money Market Funds which have built in diversification, allocating funds invested across at least 10 high credit quality counterparties.

### 3.4 Related Matters

3.4.1 **Markets in Financial Instruments Directive (MiFID II):** The council has opted up to professional client status with its providers of financial services, including advisers, banks, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the council's treasury management activities, the Assistant Director of Finance (S151 Officer) believes this to be the most appropriate status.

3.4.2 This requires the council to have a minimum investment balance £10 million and the person making investment decisions on behalf of the council to have at least one year's relevant professional experience. Investments as well as cash deposits are count towards meeting the £10 million threshold.

3.4.3 **General Data Protection Regulation 2018:** Relationships with external providers covered by the Treasury management Practices are governed by and operated in accordance with the act.

## 4 Appendices

### 4.1 Interest Rates forecasts 2024-2027

Interest Rate Forecasts								
Bank Rate	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
Link	4.50%	4.25%	4.00%	4.00%	3.75%	3.75%	3.75%	3.50%
Cap Econ	4.50%	4.25%	4.00%	3.75%	3.50%	3.50%	3.50%	3.50%
5Y PWLB RATE								
Link	4.90%	4.80%	4.60%	4.50%	4.50%	4.40%	4.30%	4.20%
Cap Econ	5.10%	4.90%	4.80%	4.60%	4.60%	4.50%	4.50%	4.40%
10Y PWLB RATE								
Link	5.10%	5.00%	4.80%	4.80%	4.70%	4.50%	4.50%	4.40%
Cap Econ	5.30%	5.10%	5.00%	4.80%	4.80%	4.70%	4.60%	4.60%
25Y PWLB RATE								
Link	5.50%	5.40%	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%
Cap Econ	5.70%	5.50%	5.30%	5.00%	4.90%	4.90%	4.80%	4.70%
50Y PWLB RATE								
Link	5.30%	5.20%	5.10%	5.00%	4.90%	4.80%	4.70%	4.60%
Cap Econ	5.30%	5.20%	5.20%	5.10%	5.00%	4.90%	4.80%	4.80%

### 4.2 Economic backdrop - 31<sup>st</sup> December 2024

The Bank of England (BoE) kept Bank Rate unchanged at 4.75% at its December meeting. While the result was in line with market expectations, the vote was not, with two more members voting for a cut. The 6-3 vote provided a dovish tilt to the result, with those in favour of a reduction citing concerns over the economic outlook, which could pull inflation below target over the medium term. The meeting also saw the Bank lower its Q4 growth forecast from 0.3% to 0%.

Regarding higher than expected private sector wage increases in the latest print, the Bank merely noted that this "tends to be volatile". Further, those members who voted for no change also reiterated that they still expected to deliver cuts in 2025, with Governor Bailey saying that "we think a gradual approach to future interest rate cuts remains right, but with heightened uncertainty in the economy, we cannot commit to when or by how much we will cut rates in the coming year." This pushed back on a hawkish shift in market sentiment seen in the run-up to the decision. Market sentiment regards the future policy path did see some fresh extension of rate cut expectations, but the first move has drifted back to the meeting in May. Thereafter, markets expect a second cut by September but remain shy of pricing in a further move before the close of the year.

### 4.3 Glossary of terms

Counterparties - an opposite party in a contract or financial transaction. This may include the central Government, councils, Banks and Building societies to name a few.

Cost of Carry - The difference between the interest payable on borrowing on debt and the interest receivable from investing surplus cash.

Debt Rescheduling - A change in the terms of outstanding loans. The rescheduling can take the form of an entirely new loan, or it could mean repaying the debt early for a discount if the current market rates are higher than the fixed interest on the loan.

General Balances and Reserves – The General balance has been created by keeping aside surplus funds during an accounting period to meet contingencies or offset future losses. Reserves however are created for a specific purpose. This may be funds that have been received and earmarked for a specific purpose in the future.

Internal Borrowing – Instead of taking external loans to fund activities such as Capital expenditure, the council may use income and grants received in advance, to fund these activities. Usually, surplus funds are invested to earn interest, however it is prudent to use these funds instead of loaning money as loans generally cost more than could be earned by investing the funds.

Laddering – is an investment technique that requires investors to purchase multiple financial products with different maturity dates. The aim is to produce steady cash flow by deliberately planning investments.

Liability Benchmark – demonstrates how a council's existing debt maturity profile and other cash flows affect their future debt requirement. Its aim is to show whether the council is in an over-borrowed position (existing debt maturity profile is greater than their forecast debt requirement) or an under-borrowed position (existing debt maturity profile is less than their forecast debt requirement.) In monitoring this position the council can aim to secure interest rates at the acceptable rates and manage interest payable costs.



2025/26	TAX CALCULATED FOR EACH VALUATION BAND BY CHERWELL							
	VALUATION BAND AND APPROPRIATE PROPORTION							
	A 6/9 £	B 7/9 £	C 8/9 £	D 9/9 £	E 11/9 £	F 13/9 £	G 15/9 £	H 18/9 £
Adderbury	147.66	172.26	196.87	221.48	270.70	319.91	369.14	442.96
Ambrosden	133.86	156.16	178.47	200.78	245.40	290.01	334.64	401.56
Ardley	138.86	162.00	185.14	208.28	254.56	300.84	347.14	416.56
Arncott	141.30	164.84	188.39	211.94	259.04	306.13	353.24	423.88
Banbury	193.79	226.09	258.38	290.68	355.27	419.87	484.47	581.36
Barford	132.04	154.05	176.05	198.06	242.07	286.08	330.10	396.12
Begbroke	163.40	190.64	217.87	245.10	299.56	354.03	408.50	490.20
Bicester	198.58	231.67	264.77	297.86	364.05	430.24	496.44	595.72
Blackthorn	178.22	207.93	237.63	267.33	326.73	386.14	445.55	534.66
Bletchinghamdon	142.29	166.00	189.72	213.43	260.86	308.28	355.72	426.86
Bloxham	151.47	176.71	201.96	227.20	277.69	328.17	378.67	454.40
Bodicote	130.99	152.82	174.65	196.48	240.14	283.80	327.47	392.96
Bourton	136.74	159.53	182.32	205.11	250.69	296.27	341.85	410.22
Broughton	142.27	165.98	189.69	213.40	260.82	308.24	355.67	426.80
Bucknell	186.69	217.80	248.92	280.03	342.26	404.48	466.72	560.06
Caversfield	116.92	136.41	155.89	175.38	214.35	253.32	292.30	350.76
Charlton on Otmoor	142.23	165.93	189.64	213.34	260.75	308.15	355.57	426.68
Chesterton	196.59	229.35	262.12	294.88	360.41	425.93	491.47	589.76
Claydon	154.24	179.94	205.65	231.35	282.76	334.17	385.59	462.70
Cottisford	105.67	123.28	140.89	158.50	193.72	228.94	264.17	317.00
Cropredy	138.22	161.26	184.29	207.33	253.40	299.47	345.55	414.66
Deddington	153.25	178.79	204.33	229.87	280.95	332.03	383.12	459.74
Drayton	143.42	167.33	191.23	215.13	262.93	310.74	358.55	430.26
Duns Tew	165.85	193.49	221.13	248.77	304.05	359.33	414.62	497.54
Epwell	136.50	159.25	182.00	204.75	250.25	295.75	341.25	409.50
Fencot and Murcott	162.43	189.50	216.57	243.64	297.78	351.92	406.07	487.28
Finnere	151.97	177.30	202.62	227.95	278.60	329.26	379.92	455.90
Fringford	146.85	171.32	195.80	220.27	269.22	318.16	367.12	440.54
Fritwell	123.68	144.30	164.91	185.52	226.74	267.97	309.20	371.04
Godington	105.67	123.28	140.89	158.50	193.72	228.94	264.17	317.00
Gosford and Water Eaton	203.60	237.53	271.46	305.39	373.25	441.11	508.99	610.78
Hampton Gay and Poyle	117.88	137.53	157.17	176.82	216.11	255.40	294.70	353.64
Hanwell	189.00	220.50	252.00	283.50	346.50	409.50	472.50	567.00
Hardwick with Tusmore	105.67	123.28	140.89	158.50	193.72	228.94	264.17	317.00
Hethe	163.43	190.67	217.90	245.14	299.61	354.09	408.57	490.28
Heyford Park	129.73	151.35	172.97	194.59	237.83	281.07	324.32	389.18
Hook Norton	158.15	184.51	210.86	237.22	289.93	342.65	395.37	474.44
Horley	140.39	163.79	187.18	210.58	257.37	304.17	350.97	421.16
Horton	176.76	206.22	235.68	265.14	324.06	382.98	441.90	530.28
Horton cum Studley	130.82	152.62	174.42	196.22	239.82	283.42	327.04	392.44
Islip	154.57	180.33	206.09	231.85	283.37	334.89	386.42	463.70
Kidlington	222.00	259.00	296.00	333.00	407.00	481.00	555.00	666.00
Kirtlington	163.26	190.47	217.68	244.89	299.31	353.73	408.15	489.78
Launton	161.14	187.99	214.85	241.70	295.41	349.12	402.84	483.40
Lower Heyford	136.12	158.80	181.49	204.17	249.54	294.91	340.29	408.34
Merton	202.98	236.80	270.63	304.46	372.12	439.77	507.44	608.92
Middle Aston	105.67	123.28	140.89	158.50	193.72	228.94	264.17	317.00
Middleton Stoney	149.22	174.08	198.95	223.82	273.56	323.29	373.04	447.64
Milcombe	142.51	166.26	190.01	213.76	261.26	308.76	356.27	427.52
Milton	109.43	127.67	145.90	164.14	200.61	237.09	273.57	328.28
Mixbury	122.46	142.87	163.28	183.69	224.51	265.33	306.15	367.38
Mollington	153.81	179.44	205.08	230.71	281.98	333.24	384.52	461.42
Newton Purcell	105.67	123.28	140.89	158.50	193.72	228.94	264.17	317.00
Noke	128.79	150.25	171.72	193.18	236.11	279.03	321.97	386.36
North Aston	108.70	126.82	144.93	163.05	199.28	235.51	271.75	326.10
North Newington	128.87	150.35	171.82	193.30	236.25	279.21	322.17	386.60
Oddington	105.67	123.28	140.89	158.50	193.72	228.94	264.17	317.00
Piddington	150.15	175.17	200.20	225.22	275.27	325.31	375.37	450.44
Prescote	105.67	123.28	140.89	158.50	193.72	228.94	264.17	317.00
Shenington	123.55	144.14	164.73	185.32	226.50	267.68	308.87	370.64
Shipton on Cherwell	143.15	167.01	190.86	214.72	262.43	310.15	357.87	429.44
Shutford	132.23	154.27	176.30	198.34	242.41	286.49	330.57	396.68
Sibford Ferris	140.58	164.01	187.44	210.87	257.73	304.59	351.45	421.74
Sibford Gower	130.47	152.21	173.96	195.70	239.19	282.67	326.17	391.40
Somerton	189.50	221.09	252.67	284.25	347.41	410.58	473.75	568.50
Souldern	131.56	153.48	175.41	197.33	241.18	285.03	328.89	394.66
South Newington	150.02	175.03	200.03	225.03	275.03	325.04	375.05	450.06
Steeple Aston	164.16	191.51	218.87	246.23	300.95	355.66	410.39	492.46
Stoke Lyne	140.61	164.04	187.48	210.91	257.78	304.64	351.52	421.82
Stratton Audley	144.42	168.49	192.56	216.63	264.77	312.91	361.05	433.26
Swalcliffe	164.58	192.00	219.43	246.86	301.72	356.57	411.44	493.72
Tadmarton	134.58	157.01	179.44	201.87	246.73	291.59	336.45	403.74
Upper Heyford	153.04	178.55	204.05	229.56	280.57	331.58	382.60	459.12
Wardington	141.43	165.00	188.57	212.14	259.28	306.42	353.57	424.28
Wendlebury	132.98	155.14	177.30	199.46	243.78	288.10	332.44	398.92
Weston on the Green	174.50	203.59	232.67	261.75	319.91	378.08	436.25	523.50
Wigginton	124.48	145.23	165.97	186.72	228.21	269.70	311.20	373.44
Wroxton	129.01	150.51	172.01	193.51	236.51	279.51	322.52	387.02
Yarnton	187.32	218.53	249.75	280.97	343.41	405.84	468.29	561.94



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