



## **Council**

**Monday 21 October 2019**

### **Agenda Item 8 (a), Written Questions**

**Question From: Councillor Mark Cherry**

**Question To: Leader of the Council, Councillor Barry Wood**

**Topic: Update on Climate Change Motion**

#### **Question**

“Can the Leader of Cherwell District Council, Cllr Barry Wood, please update fellow District councillors by written response (report) the latest progress on the recent unanimous declaration of a climate change emergency at the last Cherwell District Council meeting on Monday 22 July 2019.”

#### **Response from the Leader, Councillor Wood**

“I am pleased to confirm that officers are making progress to draft a strategy for Members’ consideration as to how Cherwell District Council can respond to the climate emergency. As a Council, we have direct responsibility for our own operations and buildings, which make up our internal carbon footprint. We also have a role as an influencer and leader across the district and we will seek to use this function to encourage residents and businesses to reduce their environmental impact and reduce the carbon footprint of the district. The Strategy, which Members will start to see in draft form later this calendar year, will focus on both our internal emissions and those of the district. We will of course allow plenty of debate and Member involvement in the drafting process and make best use of the Scrutiny and Overview Committee’s function in developing strategy.

Meanwhile, we continue to exercise our environmental stewardship in the work we do as a local authority. Members are hopefully aware of the work we have been doing in partnership with DCS, a local distribution company, who have committed to offset their emissions through planting trees in Cherwell. We have enabled this by providing an area within Banbury Country Park for 30,000 native trees to be planted by volunteers. We hope this will be the start of something bigger where other local companies will follow suit by reducing and off-setting their carbon emissions.

As another example of our commitment to environmental sustainability, earlier this month, the Executive approved a new Community Nature Plan which



includes a commitment to seek 10% net gain in biodiversity as part of future developments. This is an example of how we can ensure developers protect and improve our district's natural capital.

We know there is much more to do, and we are committed to doing so. I invite the ideas and contributions of all Members to feed into our emerging Strategy and to enable that to happen. I have asked officers to arrange a Members' briefing and workshop in the coming months. I would also like to extend the invitation to Town and Parish Councils as well as key stakeholders with an interest in this agenda. Cllr Sames and our Chief Operating Officer recently met with local representatives of Extinction Rebellion, who are keen to be involved in shaping the strategy and we shall welcome them to join us at the workshop. A date will be confirmed in due course and I hope you are able to attend."

**Question From: Councillor Ian Middleton**

**Question To: Leader of the Council, Councillor Barry Wood**

**Topic: Public Works Loan Board**

### **Question**

"How does the recent announcement from government that they will be increasing the interest rate for new loans from the Public Works Loan Board (from 1.81% to 2.82%) impact on the council's current and future financial planning? In particular, how much will this add to the council's liability in respect of borrowing to fund the Castle Quay Shopping Centre expansion works? As many major retailers are predicting a poor Christmas trading period, could the potential for more retailer failures, more empty units, and downward pressure on rents in Castle Quay, coupled with increased borrowing costs have a knock on effect on to other areas of the council's spending plans?"

### **Response from the Leader, Councillor Wood**

The Council continually monitors and manages its resources to ensure that our cashflow, investment and borrowing requirements are fully understood both in the very short term, in fact daily basis, through to many years in the future. This means we do not borrow specifically for any one project but rather across all of our needs. This is not unlike the decisions we take as individuals in terms of managing the amount of money that we have in savings, earning interest, versus borrowing money for any projects, schemes or large purchases.

The way we borrow can be from a number of sources including from other local authorities which we generally do for shorter periods of time (who we also lend to when our cash levels allow) but one of those options is the Public Works Loan Board.



We review the relative rates of short, medium and long term borrowing and over the last few years it has been financially beneficial to actually borrow on a much shorter basis and in fact we have been benefitting from lower rates than we had, and our treasury management advisors had predicted. The borrowing rates are affected by many factors including confidence in the markets, currency rates and these are all impacted on global economic activity.

As a council we had been reviewing our longer term borrowing requirements and needs and had been closely monitoring that there had been a drop in interest rates for longer term borrowing. The Accounts Audit and Risk committee have been advised of our approach, which fits with our treasury management strategy, and in the last few months we took out a number of loans between 6 and 16 years to fit with our predicted cashflows. These lower rates will not be affected by the recent announcements on the PWLB increased rate.

In terms of future borrowing requirements, these will be affected by the increased rates that were announced. Along with a number of other local authorities and groups such as the Society of District Treasurers we will provide evidence of the impact of those changes to central government as appropriate. At this stage, the full impact of any increases is being considered as part of the budget-setting process as we need to understand any changes in our future cashflows and requirements. It will make our borrowing more expensive in future, but we do need to continue to manage those cashflows in a way that may mitigate any of those costs, as we do already.

In terms of the query around the retail sector and the impact on Castle Quay, we very actively manage our tenant activity and have been very successful in retaining, securing and diversifying occupancy within the centre that has ensured that we are exceeding our income targets in 2019/20. We have very few empty units within the centre and in fact some of those that may appear empty are in fact being redeveloped ready for occupation and we are receiving income for those units from tenants. We are also seeing tenants investing in their own units which is positive news for the centre as that is another element that shows that there is confidence in the local market from retailers. We ensure that we monitor national market trends and other sources of intelligence around tenant risks and actively work with those tenants to ensure that Castle Quay remains vibrant and viable. Specifically, Castle Quay is contributing to the overall council's financial position.