

Public Document Pack

Minutes extracts of a meeting of the Executive held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 6 December 2010 at 6.30 pm

82

Pre Order Consultation - Car Parking Proposals

The Head of Safer Communities, Urban and Rural Services submitted a report to advise Members on the feedback from the Pre Order consultation on car parking proposals and to enable them to decide on final proposals.

Ben Jackson on behalf of Bicester Chamber of Commerce addressed the meeting in opposition to the proposals due what he perceived was an adverse impact on Bicester.

Resolved

- (1) That the feedback from the pre Order consultation be noted.
- (2) That officers be authorised to begin formal Order Making on the final proposals (set out in the annex to these minutes as set out in the minute book for implementation on, or as soon after, 1 March as is possible, with the amendments that evening parking be at a flat rate of 80p for Banbury and 70p for Bicester and that there should be no parking charges on religious bank holidays and New Years Day.

Reasons

A range of car parking proposals have been considered as part of service development for 2011/12, and through the budget preparation process. These were advertised informally in October with key agencies and consultees in accordance with the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996.

Options

Option One Consider the feedback from pre-Order consultation to assist in determining final car park proposals.

Option Two Disregard the feedback.

92

Value for Money Review of Urban and Rural Services

The Strategic Director Environment and Community submitted a report to consider the findings of the Value for Money (VFM) Review report and the recommendations arising from the report.

Resolved

- (1) That the overall conclusion of the review that the service is low cost in terms of benchmark expenditure comparisons and is good quality in terms of overall positive levels of customer satisfaction be endorsed.

- (2) That it be agreed improvements in value for money be sought and approval given to;
1. Implement the Medium Term Financial Strategy savings proposals set out in paragraph 2.13, saving £73,194 per annum
 2. Secure a net saving of £60,000 per annum currently charged for the provision of specialist advice to the planning service by exploring options to achieve this, such as a reduction in the staff establishment, increasing fee income from planning advice and securing new clients to offset costs
 3. Create a bus station safety officer post to release a vehicle parks warden post to achieve a net income of £16,000 per annum
- (3) That the recommendations of Scrutiny with regard to increases to car park charges and recommend the inclusion of an evening tariff to generate further income of £39,640 per annum in addition to the £480,289 already recommended be noted.
- (4) That the scrutiny process associated with the introduction of a pay and display parking scheme in Watts Way, Kidlington and the need for further negotiations with a view to implementing the scheme within 12 months if these are successful be noted.
- (5) That the proposal to extend the landscape maintenance contract for a further three years to 2015 and secure potential savings of £135,461 through negotiations with the contractor and an extended client base be noted.
- (6) That the provision of a Shopmobility scheme in Bicester be continued and it be agreed in future seek to offset a proportion of its costs through service charges to tenants on completion of the town centre redevelopment
- (7) That the feasibility of charging residents for tree inspections to offset costs of arboricultural staff be explored.

Reasons

This review forms part of the Value for Money programme of reviews, which aims to cover all services within the council and improve the value of services offered to residents of Cherwell.

Options

The report contains options for achieving efficiency and value for money.

93 Budget 2011/12 Draft 1

The Head of Finance submitted a report, providing the first of three opportunities for the Executive to shape and refine the interaction between the Corporate Plan, the service plans that underpin the corporate plan and financial matters before the final budget is presented to the Council on the 21st February 2011.

Resolved

- (1) That the draft Corporate Plan for 2011-12 (annex to these minutes as set out in the minute book) be endorsed;
- (2) That the proposed service priorities for 2011-12 (annex to these minutes as set out in the minute book) be endorsed;
- (3) That the draft budget be noted in the context of the Council's service objectives and strategic priorities;
- (4) That the areas of unavoidable revenue growth (annex to these minutes as set out in the minute book) be noted;
- (5) That the areas of additional income or cost reductions that will be considered in order to get to a balanced 2011/12 budget (annex to these minutes as set out in the minute book) be noted;
- (6) That the proposal on Council Tax for 2011-12 be noted
- (7) That the outcome of the pay negotiations on 2011/12 pay deal be noted;
- (8) That officers be requested to prepare a response to the New Homes Consultation and a report detailing the implications;
- (9) That officers be requested to give consideration to the impact of the recent planning fees consultation and the implications on income generation
- (10) That the approach to the overall capital programme and 2011/12 expenditure profile (annex to these minutes as set out in the minute book) be agreed;
- (11) That it be noted that the recommendations of the scrutiny reviews of training, fees and charges and capital programme that were considered at the Resources and Performance Scrutiny Board on 30th November 2010 and all the recommendations (annex to these minutes as set out in the minute book) be approved;
- (12) That at this stage no other matters be taken into consideration in producing a balanced budget for the meeting of the Executive on 10 January 2011;

- (13) That the draft revenue and capital budget and corporate plan be approved as the basis for consultation.

Reasons

The budget will form the financial expression of the Council's strategic priorities and service delivery plans for 2011/12; the allocation of resources against agreed service priorities and is necessary in order to achieve its strategic priorities.

Options

Option One To review draft revenue and capital budget to date and consider actions arising.

Option Two To approve or reject the recommendations above or request that Officers provide additional information.

Executive

Pre Order Consultation - Car Parking Proposals

6 December 2010

Report of Head of Safer Communities, Urban and Rural Services

PURPOSE OF REPORT

- To advise Members on the feedback from the Pre Order consultation on car parking proposals.
- To decide on final proposals.

This report is public

Recommendations

The Executive is recommended:

- (1) To note the feedback from the pre Order consultation.
- (2) To authorise formal Order Making on final proposals for implementation on, or as soon after, 1 March as is possible.

Executive Summary

Introduction

- 1.1 A range of car parking proposals have been considered as part of service development for 2011/12, and through the budget preparation process.
- 1.2 These were advertised informally in October with key agencies and consultees in accordance with the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations 1996.
- 1.3 The full feedback from this process will be tabled at the meeting as the deadline for receipt falls after the agenda is issued.

Proposals

- 1.4 The proposals consulted on are
 - **Increase in car parking charges.** Consideration will be given to charges being increased by 10p per hour (Banbury from 70p to 80p per hour, Bicester

from 60p to 70p per hour and all other hourly charges by a 10p multiple per hour). Commencement of charging hours to be brought forward from 8.00 am to 7.00 am.

- **Introduction of charges for Blue Badge holders.** Consideration will be given to all blue badge parking becoming chargeable. Charging to be in line with standard hourly rates, but with one additional hour free of charge at all car parks (excluding drop off/pick up bay at Bridge Street, Banbury).
 - **Introduction of evening charges.** Consideration will be given to charges being introduced from 6.00pm to 12.00 midnight at all car parks, at a charge of 50p per two hour /part two hour period.
 - **Increase of Excess Charge Notice charges.** Consideration will be given to Excess Charge Notice levels being increased by £10 for each contravention. A 'Premium Charge' of £100 to be introduced for failure to pay within specified timescale, in line with civil parking enforcement regime.
 - **Season tickets.** Pricing structure to be retained in line with increase in pay and display charges. Consideration will be given to a greater discount being offered to encourage further take up.
 - **Bringing Sunday and Bank Holiday charges in line with Monday-Saturday charges.** Consideration will be given to charging hours being brought into line with the rest of the week and hourly charges to be revised on the same basis.
 - **Charging on Good Friday, Easter Sunday, Christmas Day, Boxing Day and New Year's Day.** Consideration will be given to introducing charges on these days in line with standard hourly rates.
- 1.5 It is also intended that the amendments that were discussed and agreed in May 2010 for the changes to car parking in Bicester as a consequence of the town centre redevelopment, be formally advertised and implemented at the same time as these proposals.
- 1.6 These proposals, if adopted, would require amendment to the Orders which currently regulate the Council's off-street car parks. It is now intended that those proposals that are agreed be introduced in March 2011.
- 1.7 To implement on 1 March 2011 requires formal advert week commencing 13 December 2010.

Conclusion

- 1.8 The feedback from pre Order consultation will help guide final proposals for formal advertising of revised car park Orders to be effective on or as soon after the 1 March 2011.

Background Information

- 2.1 The full pre Order consultation summary-To be tabled at the meeting.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 Members to consider the feedback from pre Order consultation and to determine final proposals to be formally advertised.

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

Option One Consider the feedback from pre-Order consultation to assist in determining final car park proposals.

Option Two Disregard the feedback.

Consultations

Statutory, voluntary and local agencies. Feedback included at Appendix 1. Further consultation feedback to be presented at the meeting.

Implications

Financial: There are no direct financial implications from the pre Order consultation. However, the proposals do seek to maximise our use of resources whilst remaining competitively priced with other private car parks, but without bearing a further burden on council tax payers.
Comments checked by Denise Taylor, Service Accountant, 01295 221982

Legal: This report relates only to responses received to the pre-order consultations. Any objections received following publication of the formal notice of proposals will be submitted to the Executive in due course.
Comments checked by Malcolm Saunders Senior Legal Assistant 01295 221692

Risk Management: By undertaking this pre-Order consultation and securing feedback from stakeholders, and by the Executive considering this feedback in determining the final proposals for formal advert, the Council is at reduced risk of Judicial Review. The formal Order making provides a further opportunity for formal comment by stakeholders on the final proposals ahead of the Council publishing final Notice. Depending on final proposals, there are risks that implementation could lead to reduction in numbers using

Council car parks and there is a risk of the Councils reputation being harmed.

Comments checked by Rosemary Watts, Risk Management and Insurance Officer, 01295 221566

Equalities

The proposals were presented to the Cherwell Disability Forum in view of the proposals around Blue Badge Holder charges.

Wards Affected

All

Corporate Plan Themes

District of Opportunity

Executive Portfolio

Councillor Nigel Morris
Portfolio Holder for **Community Safety, Street Scene and Rural Services**

Document Information

Appendix No	Title
Appendix 1	Initial summary of feedback from the Pre-Order consultation.
Background Papers	
Feedback from consultation- To be tabled	
Report Author	Chris Rothwell, Head of Safer Communities, Urban and Rural Services
Contact Information	01295 221712 chris.rothwell@Cherwell-dc.gov.uk

Appendix 1

Proposed Increase to Car Parking Charges

Initial Summary of Pre Order Consultation Responses

Ref	Proposal	Consultation Responses (numbers received in brackets)
1	<p>10p per hour increase on car parking charges</p>	<p>Object: (1)</p> <ul style="list-style-type: none"> • Charges already too high. <p>Approve: (3)</p>
2	<p>Blue badge holder parking increase of fees / charging hours</p> <ul style="list-style-type: none"> • All blue badge parking to become chargeable. • Charging in line with standard hourly rates 	<p>Objections (19)</p> <ul style="list-style-type: none"> • Unacceptable especially charging the same amount as able bodied people as the Disabled cannot work / little comprehension regarding emotional & psychological effects if situations like this (1) • This is a critically handicapping move for mobility impaired people. It will stop many being part of the community in the main centres (1) • It will raise the first barrier they have to their independence (1) • A discounted charge should be paid by blue badge holders (1) • Free parking should continue due to the cut in benefits for the disabled (1) • Unfair penalising of their 'helpful privileges' (1) • Badge holders would park on yellow lines free of charge thus causing congestion on the streets. (4) Double-yellow parking will potentially cost much more than you'll recoup in the parking charges. • Would result in less business for Banbury & Bicester shops / businesses (2) • Discrimination: Some disabled people would not be able to use the ticket machines • Charging the same rates as able bodied is discrimination (2) • Many Badge holders depend on very busy / stressed carers. This is an obstacle resulting in them being less inclined to donate their time (1) • Victimisation because badge holders are vulnerable / an easy target. Totally unjust

	<ul style="list-style-type: none"> • One additional hour FOC at all short/ultra short stay car parks 	<p>as they have previously worked, paying taxes & dues (1)</p> <ul style="list-style-type: none"> • Another burden for the poorer people (1) • This is a money grabbing exercise which will penalise the general public and bleed the existing scheme. It will alienate the Council further (2) Outrageous. • Cannot carry shopping therefore cannot use public transport. (1) <p>Approve (4) In support with the proviso of 1 free hour. (2)</p> <ul style="list-style-type: none"> • DLA is based on your ability and is not means tested, therefore any charges effect those rich or poor - as they do everyone else. You are not 'poorer' because you are disabled (1) • It is reasonable to expect all members of the community, including Blue Badge holders, to help achieve the savings required by the current financial climate. It would be more pertinent for Blue Badge holders to seek a reasonable number and placement of reserved car parking spaces, and perhaps some degree of concessionary charge (such as a reduced season ticket), rather than expecting to be excluded from paying a reasonable level of car parking fee (1)
3	Introduction of evening charges	<p>Object: (2)</p> <ul style="list-style-type: none"> • This will adversely affect the night time economy of the town at a time when it should be supported. • If you go for an evening meal, you don't want to be timed. <p>Approve: (2)</p> <ul style="list-style-type: none"> • No objection in principal but would prefer a flat tariff i.e. 50p or £1.00 to park from 6pm to the following morning. • As long as it's well signposted.
4.	Increase of Excess Charges Notice charges.	<p>Object: (1)</p> <ul style="list-style-type: none"> • Excessive, surely does not reflect admin involved. <p>Approve: (3)</p>
6	Unifying Sunday & Bank Holiday charges in line with Mon-Sat charges	<p>Object: (5):</p> <ul style="list-style-type: none"> • Extended hours for Wardens thus more money paid on 'unnecessary things'. • Disagree - the Sunday charge is fairly new and expensive when you only need to

		<p>spend an hour in town.</p> <ul style="list-style-type: none"> • Sunday and BH should be lower than the rest of the week - it encourages shoppers! • Having a daily fee that is chargeable whatever day of the week would be easy to administer, and would be easily understood, but seems a bit tight for Sundays and Bank Holidays. Might it be more acceptable (and be seen as more generous) to have a reduced daily flat rate on these days (50p for 2hrs, similar to your proposed evening charges)? Obviously depends on what financial benefit would accrue. • Bank holiday charging –No <p>Approve: (1) Sunday charging yes.</p>
7	<p>Charging on Good Friday, Easter Sunday, Christmas Day, Boxing Day & New Year's Day.</p>	<p>Object: (3)</p> <ul style="list-style-type: none"> • How much will it cost to enforce on Christmas day?! • These are British, but Christian, festivals. Seems a bit Scrooge-like to charge on such days but, without including other ethnic festive days, there is a logic to having some form of parking charge for every day. Is the forecast level of income on these days worthwhile, considering the level of public outcry that may be generated? Might some degree of generosity in approach achieve public good-will? • Yes - if people want to go shopping on Good Friday and Boxing Day let them pay! Seems a bit uncharitable on Christmas Day and Easter Sunday though! (1Yes & 1 No) <p>Approve: (2)</p> <ul style="list-style-type: none"> • Completely right, the busiest times of the year so why not take in money?

Proposed Increase to Car Parking Charges

Initial Summary of Consultation Responses

Ref	Proposal	Consultation Responses (numbers received in brackets)
1	10p per hour increase on car parking charges	Object: (14) <ul style="list-style-type: none">• Charges already too high.• Bicester town centre is already struggling with established businesses closing. Â The forthcoming town centre development is going to put a further strain on these businesses with shoppers choosing to go elsewhere. Â There is currently no encouragement for people to shop and with businesses closing down the discouragement continues• What an incredibly insensitive proposal. The proposals could be looked at again once the new centre is up and running. There should be a proper long term parking area in the town for the benefit of those who work here, with a large cost for one hour, reducing proportionally as the time lengthens. I can't believe the Tories are so keen to alienate their natural business supporters.• At a time when Bicester is undergoing massive redevelopment and shops are closing almost daily why on earth are you increasing car parking charges? You should be looking to support the town through this rocky period not make it even more difficult for the shops and businesses. How about free parking in the weeks leading up to Christmas to encourage people into the town rather than driving them away?.• Bicester Town are losing trade through the Bicester Village complex where parking is free. It would be better if any increases or changes were introduced after the Bicester Town Centre redevelopment is completed. Â Then there would be justification for revised parking charges.• Locals are likely to drive to Witney where parking is free.• Many things can be purchased in Tesco and so I would go there instead of going into town unless absolute necessity.• Fees will put an even bigger strain on pensioners and students• I think this is an inappropriate time to increase car parking charges in the light of job losses and the VAT increase.

		<p>Approve: (5) In the current financial situation, this seems reasonable.</p>
2	<p>Blue badge holder parking Increase of fees / charging hours</p> <ul style="list-style-type: none"> • All blue badge parking to become chargeable. • Charging in line with standard hourly rates 	<p>Objections (32)</p> <ul style="list-style-type: none"> • Unacceptable especially charging the same amount as able bodied people as the Disabled cannot work / little comprehension regarding emotional & psychological effects if situations like this (1) • This is a critically handicapping move for mobility impaired people. It will stop many being part of the community in the main centres (2) • It will raise the first barrier they have to their independence (1) • This will be a disincentive for visually impaired people to go out. It is difficult for them to find work, thus constituting a considerable burden on them/ their carers. • A discounted charge should be paid by blue badge holders (1) • Free parking should continue due to the cut in benefits for the disabled (1) • Unfair penalising of their 'helpful privileges' (1) • Badge holders would park on yellow lines free of charge thus causing congestion on the streets. (4) Double-yellow parking will potentially cost much more than you'll recoup in the parking charges. • Would result in less business for Banbury & Bicester shops / businesses (2) • Discrimination: Some disabled people would not be able to use the ticket machines (2) • Charging the same rates as able bodied is discrimination (2) • Many Badge holders depend on very busy / stressed carers. This is an obstacle resulting in them being less inclined to donate their time (1) • Victimisation because badge holders are vulnerable / an easy target. Totally unjust as they have previously worked, paying taxes & dues (1) • Another burden for the poorer people (1) • This is a money grabbing exercise which will penalise the general public

	<p>Blue badge holder parking Increase of fees / charging hours (Cont'd)</p> <ul style="list-style-type: none"> • One additional hour FOC at all short/ultra short stay car parks 	<p>and bleed the existing scheme. It will alienate the Council further (2) Outrageous.</p> <ul style="list-style-type: none"> • Cannot carry shopping therefore cannot use public transport. (1) • In the current financial situation, this seems reasonable • I believe blue badge holders should have at least their first hour's parking free of charge. They need access to public areas. (1) • Why did Cherwell District Council not charge their employees to park at Bodicote House and generate revenue in that way. • Would recommend that a meaningful fee be charged when the Blue badge is issued and again on re-issue. • The proposals to give one free hour is rather patronising and tokenistic. <p>Approve (5) In support with the proviso of 1 free hour. (2)</p> <ul style="list-style-type: none"> • DLA is based on your ability and is not means tested, therefore any charges effect those rich or poor - as they do everyone else. You are not 'poorer' because you are disabled (1) • It is reasonable to expect all members of the community, including Blue Badge holders, to help achieve the savings required by the current financial climate. It would be more pertinent for Blue Badge holders to seek a reasonable number and placement of reserved car parking spaces, and perhaps some degree of concessionary charge (such as a reduced season ticket), rather than expecting to be excluded from paying a reasonable level of car parking fee (1)
3	<p>Introduction of evening charges</p>	<p>Object: (9)</p> <ul style="list-style-type: none"> • This will adversely affect the night time economy of the town at a time when it should be supported. Restaurants especially. • If you go for an evening meal, you don't want to be timed. • Why do I have to pay to attended a church meeting at the Methodist Church, where there is limited parking? <p>Approve: (4)</p> <ul style="list-style-type: none"> • No objection in principal but would prefer a flat tariff i.e. 50p or £1.00 to

		<p>park from 6pm to the following morning.</p> <ul style="list-style-type: none"> • As long as it's well signposted.
4.	Increase of Excess Charges Notice charges.	<p>Object: (2)</p> <ul style="list-style-type: none"> • Excessive, surely does not reflect admin involved. <p>Approve: (7)</p>
5	Season tickets. Pricing structure to be retained in line with increase in pay and display charges. Consideration will be given to a greater discount being offered to encourage further take up.	<p>Object (1)</p> <ul style="list-style-type: none"> • Yet another cost to business owners who are already seeing their income fall. <p>Approve (10)</p> <ul style="list-style-type: none"> • May be helpful for those who work in town. As an infrequent visitor it would not apply to me.
6	Unifying Sunday & Bank Holiday charges in line with Mon-Sat charges	<p>Object: (15):</p> <ul style="list-style-type: none"> • Extended hours for Wardens thus more money paid on 'unnecessary things'. • Disagree - the Sunday charge is fairly new and expensive when you only need to spend an hour in town. • Sunday and BH should be lower than the rest of the week - it encourages shoppers! • Having a daily fee that is chargeable whatever day of the week would be easy to administer, and would be easily understood, but seems a bit tight for Sundays and Bank Holidays. Might it be more acceptable (and be seen as more generous) to have a reduced daily flat rate on these days (50p for 2hrs, similar to your proposed evening charges)? Obviously depends on what financial benefit would accrue. • Bank holiday charging –No • This is unfair on those who like to attend church on a Sunday. Once again the car parks are not that busy on Sundays or Bank Holidays. • Dreadful as there are so few facilities in the town. It will deter shops from opening and damage economy • I think this is the worst of the proposals. It's unfair to increase the charge to church goers by over 200% just to attend worship. Volunteer helpers with youth activities at town centre churches often spend over 3 hours at

		<p>church and their parking charges will rise massively if this proposal is accepted.</p> <p>Approve: (1) Sunday charging yes.</p>
7	<p>Charging on Good Friday, Easter Sunday, Christmas Day, Boxing Day & New Year's Day.</p>	<p>Object: (12)</p> <ul style="list-style-type: none"> • How much will it cost to enforce on Christmas day?! • These are British, but Christian, festivals. Seems a bit Scrouge-like to charge on such days but, without including other ethnic festive days, there is a logic to having some form of parking charge for every day. Is the forecast level of income on these days worthwhile, considering the level of public outcry that may be generated? Might some degree of generosity in approach achieve public good-will? • Yes - if people want to go shopping on Good Friday and Boxing Day let them pay! Seems a bit uncharitable on Christmas Day and Easter Sunday though! (1Yes & 1 No) • Good Friday is the only day in the above where you might make a profit. • I don't see the point except perhaps Boxing Day and New Years Day for the sales. • You will alienate people for very little reward. • Appalling. Increase the facilities and entice people into town rather than deterring them from visiting <p>Approve: (3)</p> <ul style="list-style-type: none"> • Completely right, the busiest times of the year so why not take in money?

Executive

Value for Money Review of Urban and Rural Services

6 December 2010

Report of the Strategic Director for Environment & Community

PURPOSE OF REPORT

To consider the findings of the Value for Money (VFM) Review report and the recommendations arising from the report

This report is public

Recommendations

The Executive is recommended:

- (1) To endorse the overall conclusion of the review that the service is low cost in terms of benchmark expenditure comparisons and is good quality in terms of overall positive levels of customer satisfaction.
- (2) To agree that improvements in value for money be sought and approve the following recommendations;
 - a. Implement the Medium Term Financial Strategy savings proposals set out in paragraph 2.13, saving £73,194 per annum
 - b. Secure a net saving of £60,000 per annum currently charged for the provision of specialist advice to the planning service by exploring options to achieve this, such as a reduction in the staff establishment, increasing fee income from planning advice and securing new clients to offset costs
 - c. Create a bus station safety officer post to release a vehicle parks warden post to achieve a net income of £16,000 per annum
- (3) To note the recommendations of Scrutiny with regard to increases to car park charges and recommend the inclusion of an evening tariff to generate further income of £39,640 per annum in addition to the £480,289 already recommended.
- (4) To note the scrutiny process associated with the introduction of a pay and display parking scheme in Watts Way, Kidlington and the need for further negotiations with a view to implementing the scheme within 12 months if these are successful
- (5) To consider further the proposal to extend the landscape maintenance

contract for a further three years to 2015 and secure potential savings of £135,461 through negotiations with the contractor and an extended client base.

- (6) To continue the provision of a Shopmobility scheme in Bicester but in future seek to offset a proportion of its costs through service charges to tenants on completion of the town centre redevelopment
- (7) To explore the feasibility of charging residents for tree inspections to offset costs of arboricultural staff

Executive Summary

Introduction

- 1.1 This review forms part of the Value for Money programme of reviews, which aims to cover all services within the council and improve the value of services offered to residents of Cherwell.
- 1.2 The Urban and Rural service was selected for a 'health check' review during 2010/11 along with a number of other services as these had not previously been covered by the VFM programme but account for a high level of expenditure. The aim of such reviews is to quickly identify potential savings using information that is readily available.
- 1.3 As part of recent planning for the Medium Term Financial Strategy arising from the Comprehensive Spending Review a number of savings options had been identified for the service which amounted to £730,096. An objective of the VFM review was to examine the feasibility of these and, where possible, identify further efficiencies that would allow for greater flexibility in the Council achieving its medium term savings targets.
- 1.4 The overall conclusion of the review is that the service is low cost in terms of benchmark expenditure comparisons and is good quality in terms of overall positive levels of customer satisfaction.
- 1.5 The review has identified savings to meet the £730,096 savings target along with an additional £14,488 of efficiencies.

Proposals

- 1.6 To adopt the recommendations of the Review in full

Conclusion

- 1.7 Significant reductions to expenditure on Urban and Rural are possible and these will help reduce the council's cost base and contribute towards its Medium Term Financial Strategy targets.

Background Information

- 2.1 This report sets out the findings of the Urban and Rural VFM Review with recommendations to achieve its Medium Term Financial Strategy savings target of £730,096.
- 2.2 The agreed scope of the review included the grounds maintenance and landscaping contract, street scene expenditure, vehicle parks (including income), licensing, rural and countryside services and Banbury bus station
- 2.3 The VFM review has used a range of evidence to inform its conclusions, including the CIPFA RA (budget) benchmarking for 2010/11, current satisfaction surveys, car park charge benchmarking, landscape maintenance rate benchmarking and a detailed examination of street scene expenditure.

VFM Review Findings

- 2.4 Appendix 1 contains the Executive Summary of the VFM review. Key findings from the review can be summarised as follows;
 - Total expenditure of the service is £3.8m, with total income of £3.9m through car parking charges/excess charge notices, income for landscaping works carried out for external clients, income for Licensing charges (for taxis, pubs and clubs etc), contractual income for the operation of Banbury market and contributions for operating a banksman service at Banbury Bus Station. Income has increased by £491,000 since 2008/09, largely due to increases in car parking fees. However, income from car parking in 2010/11 is currently failing to meet its budgeted profile which could amount to an £80,000 shortfall by the end of the financial year.
 - Cherwell's six-year contract with Continental Landscapes is worth over £5m and due to expire in March 2012. Gross expenditure per annum is £1.5m with a net expenditure of £566,475 due to recharges and income from external clients (Oxfordshire County Council, Kidlington Parish Council, Bicester Town Council, Gosford and Water Eaton Parish Council and Parkwood).
 - 2010/11 budget comparisons with CIPFA family comparators show that Cherwell is lowest spending quartile for the three comparable service areas relevant to this review (Parking, Licensing and Open Spaces). The collective spend below average for all three service areas amounts to £1.5m.
 - Extensive benchmarking of landscape and grounds maintenance rates against those of neighbouring authorities shows that Cherwell's current contract offers excellent value for money.
 - A survey of private sector car parks in Banbury and council-owned car parks in neighbouring authorities shows that for short stay parking Cherwell's rates are currently between 19% and 21% cheaper. Longer stay parking ranges from being 4% more expensive to 54% cheaper for 24hr parking.
 - Levels of satisfaction with local car park facilities have remained fairly

stable for the last three years at 63%, and have increased in relation to five of the seven aspects relating to local facilities, but 21% of residents remain dissatisfied overall. 34% of residents agree and 42% disagree that car parks operated by the council offer value for money.

- 74% of residents are satisfied with the way parks and playgrounds are looked after by the council, and overall satisfaction with street scene work in urban centres is high (61%)

2.5 Given the good value for money offered by the rates currently paid for the Landscape and Grounds Maintenance contract, as demonstrated via benchmarking undertaken with other local authorities and the wider market, the Corporate Strategic Procurement Manager has concluded the Council would be best placed to extend the current contract for a further 3 years (until 2015) rather than approach the market when it expires in March 2012. Such an extension would help facilitate negotiations with the incumbent contractor to secure additional savings from the contract, and also releases staff time which would otherwise be locked into procurement activity. It is important to note that in the view of the Procurement Manager that in the event of a re-tender such rates would not be offered again even by the incumbent contractor and that any reductions agreed will simply reflect the money saved by the contractor in not having to pay for the re-tendering costs for another three years. Before any commitment, further consideration is required of potential additional cost benefits from an extended public sector landscape contract particularly in Banbury.

2.6 Savings of £135,461 through reduced expenditure on landscape maintenance have been set as a MTFs building block target for the service. While the review concluded that these should be pursued, they are contingent on the extension of the current landscape and grounds maintenance contract, and also the agreement of other external clients currently served by the contract to continue to receive this service through the council. Further, part of these savings relate to securing extra income through an extended client base, which is still subject to negotiation. Work is ongoing to progress these issues, and a further report will be brought to Executive in due course reflecting the level of savings that can be secured in 2011/12.

2.7 The review concluded that spending within Licensing is 'ring fenced' in that the fees charged for the grant of licences cannot to be used as a revenue raising measure under the relevant legislation. At present any surplus is retained for funding special service-related projects. Management overheads have already been added to this area to offset costs to the maximum degree permissible but steps are in hand to add the relevant costs of the service provided by the central admin support team into this cost centre and offset such costs as legitimate charges to licensees.

2.8 The review found that the Shopmobility scheme in Bicester town centre currently costs the council £45,900 per annum in contrast with the schemes operated by Castle Quay (Banbury) and Bicester Village which operate at no cost to the Council. It was not possible to include the transfer of this scheme to the Bicester Town Centre developer as part of negotiations, but an alternative may be open to the Council in using a service charge to tenants to offset part of the scheme's ongoing costs.

2.9 A number of proposals were prepared for the MTFs in relation to increases in

car park income, amounting to £519,929 per annum, and were considered within the scope of the review. Scrutiny have examined these and recommended most, but not all, of the proposals to the Executive. The review concluded that the proposal for introducing an evening tariff, generating income of £39,640 per annum, should be included in the final order to ensure that the Council obtains the maximum level of revenue possible.

- 2.10 The MTFS proposal for the introduction of pay and display car parking at Watts Way, Kidlington was explored and found to be problematic. A covenant currently exists on the land to prevent charging for car parking unless under the supervision of an attendant. This is currently subject to consideration by scrutiny and negotiation with the land owner, but these may take some time and additional costs are likely. A 2012/13 commencement is the earliest anticipated for this scheme should negotiations prove successful.
- 2.11 A further MTFS proposal for a reduction in specialist advice to the planning service from Urban and Rural has been considered by the review. Currently, this advice is provided by staff in the Landscaping service, the Arboricultural Service and the Ecology Officer. The latter post has previously been funded through the Planning and Housing Delivery Grant, which has been recently discontinued. The specialist advice has been provided on a rechargeable basis, with Urban and Rural receiving £60,000 per annum in income.
- 2.12 To achieve savings in other areas of planning, specialist advice is being reduced with a greater reliance on applicants to provide necessary evidence as part of their planning application. In line with this approach, saving options to reduce the staffing establishment in Urban and Rural to offset the £60,000 reduction in internal recharges have been included in Option 1. This would involve the reduction in hours of two posts and not renewing the fixed-term contract of the Ecology Officer. However, since the Government announced its plans to review the charging regime for planning applications it may be possible to achieve a proportion of these savings through increased fee income. Further savings may be achieved by securing new clients for the landscaping service, which would require capacity in the service being retained. For these reasons, it is recommended that alternatives to staff reductions first be explored in order to achieve the target saving of £60,000
- 2.13 Other MTFS savings proposals explored by the Review were;
- Recovery of 50% of expenditure for Christmas lights through income from partners (£36,189). Options to fund the full cost of this scheme through external income were explored but found not to be feasible. A 50% contribution is thought to be more realistic, and negotiations are in hand to achieve this.
 - Reduced activity and grants within the Rural and Countryside team (£10,000). The review found that these were already in hand to be implemented and would end the funding to 3 projects which were not considered to be essential to the service offered by the team.
 - Increased income from fines through street wardens taking on enforcement for littering and dog fouling (£15,750). This was found to be supportive of the Council's Clean and Green objective, and that other authorities already employ this policy

- Reduced frequency of cash collection from car parks (£6,825). This has already been implemented resulting in 21 fewer collections per week at no impact to service quality
 - Cancelling subscriptions in the service (£4,430). This has already been implemented.
- 2.14 Other savings opportunities looked into as part of the review are set out below;
- Currently, a Vehicle Parks Warden is used as a banksman at Banbury Bus Station to oversee the safe manoeuvring of buses, delivery vehicles and pedestrians. This results in lost income from enforcement activity, and the post is at a higher salary than the real cost of the work. The appointment of a lower grade post is being pursued that will allow the vehicle parks warden to return to enforcement duty, and will result in net income of £16,000 per annum.
 - Best practice research has highlighted that some authorities are currently charging residents for tree inspection activity. Further work into the feasibility of this area is required in order to ascertain if it would provide an additional income stream for the Council.

Implications

Financial:	<p>The review has identified potential savings totalling £744,584 (made up of savings £616,750 and budget reductions £127,834) against a target of £730,096. Sufficient savings have been identified to meet the council MTFS requirement, with further savings providing some flexibility should other aspects of the Strategy not be deliverable.</p> <p>Comments checked by Karen Curtin, Head of Finance 01295 221551</p>
Legal:	<p>The extension of the landscape and grounds maintenance contract is consistent with the council's procurement strategy and relevant legislation</p> <p>Comments checked by Liz Howlett, Head of Legal and Democratic Services 01295 221686</p>
Risk Management:	<p>The proposed level of savings present no risk to service delivery</p> <p>Comments checked by Rosemary Watts, Risk Management and Insurance Officer 01295 221566</p>
Data Quality	<p>Data for cost comparison has been obtained through 2010/11 RA forms of comparable CIPFA family authorities, which has been subject to extensive checking with these authorities. Financial data has been prepared by the relevant service accountant</p>

Comments checked by Neil Lawrence, Improvement
Project Manager 01295 221801

Wards Affected

All

Corporate Plan Themes

An Accessible, Value for Money Council

Executive Portfolio

Councillor Nigel Morris
Portfolio Holder for Environment, Recreation and Health

Document Information

Appendix No	Title
Appendix 1	Urban and Rural VFM: Executive Summary
Background Papers	
None	
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Urban and Rural VFM Review

Executive Summary

Cherwell District Council

Timetable	Papers Finalised	Meeting Date
CMT	29 October 2010	3 November 2010
Use of Resources	4 November 2010	10 November 2010
Executive	24 November 2010	6 December 2010

Revision History		
Revision Date	Previous Revision Date	Summary of Changes
16 September 2010		1 st draft
14 October 2010	16 September 2010	Consultation results
20 October 2010	14 October 2010	Parking comparisons added
26 October 2010	20 October 2010	CR, PA & KL comments. Amended recommendations
28 October 2010	28 October 2010	Final CR amendments, amended savings options and recommendations, comments on car park charge rises
4 November 2010 (v6)	28 October 2010	CMT amendments
24 November 2010 (v7)	4 November 2010 (v6)	Further amendments

Value for Money Review of Urban and Rural - Executive Summary

1 Introduction

Purpose of this report

- 1.1. Given current financial circumstances, the nature of VFM reviews have changed significantly. Previously, savings identified would be through efficiencies found. This review, while focusing partly on efficiencies, seeks also to identify the full range of savings required of the service covered by the scope of this review to meet the realistic Medium Term Financial Strategy savings target.
- 1.2. This report sets out the findings of the VFM review of Urban and Rural Services (excluding Community Safety and Anti Social Behaviour) with savings identified to achieve the savings target within its scope of £730,096. The total (maximum) savings target for the Community Safety, Urban and Rural Services is £848,077.

Introduction

- 1.3. The main activities of the services within the scope of the review are set out below;
 - Grounds Maintenance and Landscaping – Manage the landscape maintenance contract and liaison with external customers, manage the Council's tree stock and provide professional arboricultural and landscape advice on planning consultations, manage promote and liaise with town councils on Cherwell in Bloom, secure commercial sponsorship for Cherwell in Bloom, manage & inspect parks, open spaces and play areas, manage the floral provision contract,
 - Street Scene – Manage fairs, manage the weekly markets and promote farmers markets, organise, supply & install Christmas Lights/Trees, maintain and inspect street furniture in urban areas, client for Bicester Shopmobility and administering highway closures
 - Vehicle Parks – manage and operate off-street car parks, enforce Parking orders, administer and enforce excess charge notices, manage council staff parking permits, assist with Town Centres management
 - Licensing – Administer, regulate, provide guidance and enforce licensing for alcohol, entertainment, temporary events, late night refreshments, gambling, street trading, charitable collections, and taxis/private hire vehicles.
 - Rural and Countryside – Develop and implement the rural strategy, organise parish liaison meetings, develop and implement a biodiversity statement, provide expert advice on ecological matters, maintain improve and promote the 17 Cherwell walks, provide advice on public rights of way and deal with Public Path Orders
 - Bus station – provide a banksman to oversee the safe manoeuvring of buses, delivery vehicles and pedestrians at Banbury Bus station

VFM Conclusion

- 1.4. The overall conclusion of the review is that the service is **low cost** in terms of its RA expenditure comparisons. It is **good quality** in terms of overall positive levels of satisfaction in most areas. There are no measures from which to judge its current performance

Staffing

1.5. The staffing structure as at 30 June 2010 is as follows;

Established Posts	Posts	Vacancies
	FTE	FTE
Head of Safer Com Urban & Rural	1.00	0.00
Street Scene & L/scape Manager	1.00	0.00
Landscape Officer	2.00	0.00
Landscape Design Officer	0.50	0.00
Street Scene Officer	1.00	0.00
Landscape Architect	1.00	0.00
Arboricultural Officer	2.00	0.00
Rural Devt & Countryside Mgr	1.00	0.00
Countryside & Conservation Off	0.65	0.00
Ecology Officer	0.50	0.00
Licensing & Vehicle Parks Mgr	1.00	0.00
Vehicle Parks Team Leader	1.00	0.00
Parking Services Officer	1.00	0.00
Vehicle Parks Supervisor	1.00	0.00
Senior Vehicle Parks Warden	1.00	0.00
Vehicle Parks Warden	7.50	0.50
Licensing Team Leader	1.00	0.00
Licensing Officer	1.00	0.00
Assistant Licensing Officer	1.00	0.00
Senior Licensing Officer	1.00	0.00
Senior Inspector	0.00	1.00
	27.15	1.50

1.6. Points to highlight from the staffing structure are set out below;

- The vacant 0.5 FTE Vehicle Parks Warden post has been approved to employ a Bus Station Safety Officer for 26hrs per week on a 12 month basis
- The vacant Senior inspector post is being used to fund a temporary Licensing Officer post on a 12 month basis
- The Ecology Officer is technically part of the service, but almost all the work is advising planners on the ecological implications of planning proposals. Having an ecologist is considered important by the service in fulfilling the responsibilities under the Natural Environment and Rural Communities Act (NERC). It is currently a temporary (3 year) contract running to September 2011. Funding for the post was from the Planning and Housing Delivery Grant, and sufficient funds remain to cover the extension of the post until 2012/13 if necessary. The post has been recently reduced to 0.3FTE (12 hours/week) as part of a flexible working application
- A proportion of the staffing costs and other overheads for the landscape officers is recovered as part of income received from external clients. Currently, temporary additional services are being provided to Banbury Town Council, renewed on a two-weekly arrangement, to manage their grounds maintenance contract due to a long-term staff absence.

Expenditure

- 1.7. The budget and expenditure of the service within the scope of this review is set out in the table below.

Description	2008/2009 Actual £'s	2009/2010 Actual £'s	2010/2011 Budget £'s
Employee Costs	960,951	953,227	985,249
Premises Costs	1,260,097	1,201,701	1,235,380
Transport Costs	41,817	68,614	31,317
Supplies & Services	317,246	293,891	300,647
Third Party Payments	370,227	396,919	278,638
Support Services	335,993	311,204	316,869
Internal Support Services	336,866	296,884	352,116
Capital Charges	327,998	352,604	357,928
Total Expenditure	3,951,195	3,875,044	3,858,144
Government Grant Income	(18,000)	(18,000)	0
Other Grants Reimbursements	(632,000)	(613,910)	(566,471)
Sales Income	0	179	0
Fees And Charges	(2,400,489)	(2,714,188)	(2,756,600)
Rent Income	(177,984)	(192,414)	(162,091)
Chgs To Other Mgt Centres	(230,594)	(447,445)	(465,276)
Total Income	(3,459,067)	(3,985,778)	(3,950,438)
Net Expenditure	492,128	(110,734)	(92,294)

- 1.8. The main cost centres within this total are set out in the following tables. Gross expenditure and income have been split due to the high levels of income raised within the service;

Management Centre	Gross Expenditure					
	2008/09 Actual £'s	%	2009/10 Actual £'s	%	2010/11 Budget £'s	%
Grounds Maintenance / Landscaping	£1,507,607	38.2%	£1,647,901	42.5%	£1,594,337	41.3%
Street Scene	£367,911	9.3%	£367,129	9.5%	£387,079	10.0%
Licensing	£344,718	8.7%	£292,358	7.5%	£328,609	8.5%
Car Parks	£1,350,246	34.2%	£1,187,986	30.7%	£1,143,939	29.6%
Bus Station	£165,191	4.2%	£177,790	4.6%	£194,243	5.0%
Rural and Countryside	£215,524	5.5%	£201,880	5.2%	£209,935	5.4%
TOTAL	£3,951,197		£3,875,044		£3,858,142	

- 1.9. Key issues to highlight for the gross expenditure table are;
- Gross expenditure has reduced slightly by £93k (-2.4%) since 2008/09. This is largely due to a fall in expenditure on car parks (-£206k or -15.7%)
 - Three areas have seen an increase in expenditure since 2008/09 (street scene, bus station and grounds maintenance) amounting to an extra £135k

Management Centre	Income					
	2008/09	%	2009/10	%	2010/11	%
Grounds Maintenance / Landscaping	-£877,261	25.4%	-£1,053,055	26.4%	-£1,030,922	26.1%
Street Scene	-£158,671	4.6%	-£4,425	0.1%	-£68,072	1.7%
Licensing	-£333,094	9.6%	-£352,550	8.8%	-£348,440	8.8%
Car Parks	-£2,025,317	58.6%	-£2,514,131	63.1%	-£2,451,394	62.1%
Bus Station	-£46,726	1.4%	-£42,866	1.1%	-£32,288	0.8%
Rural and Countryside	-£18,000	0.5%	-£18,750	0.5%	-£19,322	0.5%
TOTAL	-£3,459,069		-£3,985,777		-£3,950,438	

1.10. The main areas of income are;

- Car park charges and Excess Charge Notices (ECN) (over double that of its gross expenditure)
- Landscaping/grounds maintenance (65% of its gross expenditure); received from recharges to town and parish councils, and council service areas, for work carried out on their behalf.
- Licensing income (106% of its gross expenditure); charges for taxis, pubs and clubs etc for which some fees are set nationally, with the service expected to break even rather than make a profit

1.11. Key issues to highlight for the income table are;

- Total income has increased by £491,000 (+14.2%) since 2008/09, although dipped by £35k between 2009/10 and the 2010/11 budget. The largest areas of increased income were car parks (£426k or +21%) and grounds maintenance (£153k or +17.5%)
- However, 2010/11 actual income for car parking is not currently meeting its budgeted profile (see para 2.22)
- Income for Street Scene has decreased by £90,500 (-57%) since 2008/09 which relates to the market contractor going into administration in January 2009. The levels of income obtained from this contract in 2008/09 proved to be unsustainable.
- Income from the bus station has fallen by £14k (-30.9%) since 2008/09

Statutory functions

1.12. Below is a summary of the main statutory provisions covering the service. Figures have been adjusted to account for all controllable costs (i.e. where not immediately clear in the budget). This does not include the Environmental Protection aspects of Community Safety which are outside the scope of this review

Work Area	Statutory provision		Costs (less income, support costs and capital charges)
Highways Closures	Road Traffic Regulation Act 1984		£4,699

Work Area	Statutory provision		Costs (less income, support costs and capital charges)
Hackney Carriage Licensing	Licensing of Private Hire Vehicles and Hackney Carriage Vehicles	We do not have to carry out the level of inspection that we do nor deliver service to license holders that we do, but failure to do so is likely to lead to significant increase in licensing issues and public complaint. Key risks around Health and Safety if not delivered.	£11,299
Other Licensing (Admin Dept)	Gambling Act 2005; Licensing Act 2003, Street Trading on the Highway	Fees and charges governed by legislation. (This currently generates a net income of £111k, so has been excluded)	0
Hackney Carriage & P H Licensing			£2,904
Nature Conservation	Natural Environment & Rural Communities Act 2006 (s.40)	Local authorities must have "due regard" to nature conservation in discharging their duties. Includes Ecological advice on Planning applications, funding of partnership delivery organisations (e.g. FWAG, BBOWT, ONCF) Cherwell Corporate BAP 2010	£46,497
Paths Orders	Town & Country Planning Act 1990 s.257 & DEFRA circular 1/09 para 7.2	Includes advice on Planning applications. Effect on public rights of way is a material consideration in planning decisions	£5,563

- 1.13. A 5% reduction, based on the net spend of these services (building block 87a), equates to £3,548. A further 5% (building block 87b) would increase this to £7,096.

'Building Blocks' savings

- 1.14. Below is a list of the other blocks covered by this review, together with their status and revised savings target;

Block No.	Description	Scenario/ Status	Total Saving
32	Reduced countryside partnership activity	Exec Approved	£10,000
34	Reduce frequency of cash collection from car parks	Exec Approved	£7,000
36	Share cost of Xmas tree lights with urban centres	Exec Approved	£36,000
38	Pay and display charges for off-street disabled parking bays	Exec Approved	£96,000
39	Introduce evening car park tariff	Exec Approved	£39,000
40	Raise car park fees by between 3-5%	Exec Approved	£200,000
41	Lay over charge for coaches in coach park	<i>Exec Declined</i>	£13,000

Block No.	Description	Scenario/ Status	Total Saving
42	Increased fines (through Street Warden enforcement)	Exec Approved	£16,000
45	Introduce a low-cost pay and display in Watts Way car park, Kidlington	Exec Approved	£184,000
70	Reduce landscaping contract specification (and other associated landscaping work)	Exec Approved	£135,000
95	Specialist Landscape, Tree and Ecology Advice – reduce/remove service (and its recharge)	Exec Approved	£60,000 (to Planning)
		Total approved	£723,000

1.15. These bring the maximum savings target for the service to £730,096. Of these, 79% relate to increased income and 21% to reduced expenditure.

2 Findings from the Review

2.1. The review has used a range of evidence including benchmarking of landscaping and car parking charges, the most recent resident satisfaction and budget consultation data and a detailed examination of key cost centres within the service.

Cherwell Residents Satisfaction Survey 2010

2.2. The 2010 headline findings for residents' 'satisfaction with local car parks' is set out below

- Levels of satisfaction with local car parking facilities remain stable for the third consecutive year, with around two-thirds of residents (63%) satisfied. Levels of satisfaction with parking in Kidlington are particularly high, with 78% of residents satisfied compared to 59% in Bicester and 60% in Banbury.
- Satisfaction has increased with five of the seven aspects relating to local parking facilities, with a statistically significant increase in the case of information about how long you can stay, which has increased from 62% to 68%. Satisfaction with the ease of finding car parking facilities continues to improve, with 81% of residents now satisfied, which is consistent across the District.
- However, around one in five residents (21%) remain dissatisfied with parking facilities overall. Low levels of satisfaction with the ease of payment using the 'Ring Go' mobile telephone payment service (50%) are likely to be contributing to this dissatisfaction, although by far the largest source of discontent appears to be the cost of parking. Two in five residents (42%) disagree that the car parks operated by the Council provide value for money (compared to only 34% who agree). The cost of parking appears to be a particular issue in Banbury and Bicester where 45% of residents don't believe the parking offers value for money compared to only 18% of residents in Kidlington (where some parking is free).
- Car parking is the most popular service to spend less on (37%) and joint third lowest area for additional spending (12%). It is considered the 2nd lowest area of importance to improve
- The 6th most important driver for overall satisfaction is "number and location of pay and display machines"

2.3. The headline findings for 'parks and play areas' is set out below;

- Parks and playgrounds in the District are well used by residents, with 65% having visited a park and playgrounds being used by 46%. Unsurprisingly, parents and younger residents are the primary users.
- Overall, three-quarters of residents (74%) are satisfied with the way parks and playgrounds are looked after by the Council, which, although not directly comparable due to a wording change in the questionnaire, is on a par with levels of satisfaction seen last year (73%). It should be noted, however, that satisfaction falls to 65% amongst parents, who are key service users.
- There have been no significant changes this year to levels of satisfaction with the different aspects within this service area. How well plants and floral displays are cared for (73%) and the maintenance of parks and open spaces (69%) remain the areas of greatest satisfaction.
- The quality of playgrounds/play equipment is the only aspect where satisfaction has declined this year, falling from 56% to 53% this year, which has effectively halved the gains in satisfaction seen in this area last year. This may also go some way to explain why parents are less satisfied with this service area overall. Indeed, 14% of parents express dissatisfaction with the quality of playgrounds/ play equipment, making it the aspect which they are most dissatisfied with. It is worth noting that 13% of parents are also dissatisfied with safety/ how safe they feel when using the parks and open spaces [it should be noted that some dissatisfaction may be a reflection on facilities for which this Council is not responsible for].
- This is the 4th lowest area of importance to improve. It is the 6th highest area for additional spending, but also the 5th highest area for spending less!
- The 7th most important driver for public satisfaction is “how well plants and floral displays are cared for”

Street Scene and Landscape Services public consultation 2009/10

- 2.4. The service carries out its own satisfaction survey, although this is not executed to the same standard as the residents' satisfaction survey. The findings of the latest survey are set out below;
- Overall satisfaction for the service across the three urban centres is high, with 61.6% considering that the services provided are either good or excellent.
 - The highest levels of satisfaction are with floral displays (83.7%), Cherwell in Bloom roundabouts (76%) and the cleanliness of landscaped areas (75%).
 - The lowest areas of satisfaction are with the grounds maintenance of play areas (47.5%), Christmas lights provision (45%) and with tree works (44%, although based on a small sample)
 - The areas where more customers considered works to be just satisfactory or poor were tree works (44.7%, although based on a small sample), the amount of street furniture (40%) and grassed roadside verge maintenance (38.7%)
 - The main negative comments relating to tree works were around incomplete work or a lack of response. Those relating to street furniture concerned the need for more seats (particularly in Bicester) and decorating existing furniture. Comments on Christmas lights concerned the lack of variety and area covered by the lighting.

Cherwell Budget consultation 2010

- 2.5. Street Scene & Landscape was categorised by many residents as a luxury and was identified as an area where savings could be made, with many being willing to reduce the budget in this area by up to 50% (£990k of gross expenditure or £441k of net expenditure). Key findings were;
- There were a number of cost saving suggestions that could reduce cost without impacting on quality, such as the Council providing a nursery service for plants, with residents or local businesses actually planting these and displaying them, using perennial plants that don't need to be replaced each year or getting more private sponsorship/ payment.
 - Christmas lights did polarise respondents. For some these were vital whilst many were happy to see them go (some believed that those currently provided are not of a high standard). The scenario suggestion of sharing the cost of Christmas lights (with the risk of them being removed if agreement could not be reached) was felt to be acceptable.
 - Lower frequency grass cutting was acceptable provided safety aspects were considered (in particular keeping clear sights of vision at road junctions).
- 2.6. Licensing was considered an important service where savings were thought to be difficult to find. However, the budget was reduced from 4% down to 3% (a reduction of 25%) in line with overall reductions. This equates to £82k of gross expenditure, or £5k in net income. Key findings were;
- Given the relatively small proportion of the budget currently allocated to licensing combined with the fact that this service also generates income, respondents didn't feel there was a great deal of scope for savings.
 - The scenario presented back to respondents, that the reduction in spend could result in longer waiting times to receive licenses was very much in line with respondents' expectations and was considered acceptable during a period financial austerity.
- 2.7. Rural and Countryside Services was considered an important service where savings were thought to be difficult to find. As such, respondents were anxious not to reduce existing funding dramatically. Key findings were;
- There was widespread agreement that the quality of the countryside was a major strength of the area. It was also felt that during these difficult financial times this was one area that residents could enjoy without any cost implications to them.
 - The reduction in the realistic spend scenario suggested that there would be no impact on services in the short term. The longer term issue of less support for parish councils was largely felt to be acceptable (although there was no awareness of what this support currently entailed). It was felt that parishes could raise funds locally if required for specific projects.
 - The only concern raised was that rural areas did not lose out on support as a consequence of the Council concentrating on projects in urban areas.

Benchmarking of Landscape Maintenance

- 2.8. Initial benchmarking information for the review was provided by the 2010/11 RA benchmarking with CIPFA family comparators, which indicated that Cherwell's spend was significantly lower than average.

RA 2010/11 CIPFA Family Comparisons	Open spaces (RA line 503)	Expenditure per head	Relative Family Rank
Ashford	£1,236,000	£10.89	7
Aylesbury Vale	£1,186,000	£6.74	11
Basingstoke and Dean	£4,284,000	£26.49	1
Braintree	£1,110,000	£7.81	10
Cherwell	£600,000	£4.34	14
Chelmsford	£3,385,000	£20.26	2
Colchester	£1,956,000	£10.81	9
East Hertfordshire	£1,506,000	£11.11	6
Eastleigh	£1,745,000	£14.42	3
Harrogate	£2,130,000	£13.27	4
Maidstone	£1,691,000	£11.63	5
Test Valley	£1,254,000	£10.87	8
Tonbridge and Malling	£611,000	£5.22	13
Vale of White Horse	£687,000	£5.88	12

- 2.9. To obtain additional benchmarking information the review looked at landscaping work undertaken in authorities neighbouring Cherwell to identify differences in approach and costs. The commercially confidential nature of the benchmarking means that details of the individual rates are not detailed here.
- 2.10. Cherwell's six year contract with Continental Landscapes is worth £5m over 6 years (£833,000 per annum), and is due to expire March 2012. Gross expenditure per annum is £1.5m with a net expenditure of £556,475 due to recharges to clients and sponsorship income. Staff resources used to oversee **all** aspects of landscaping services amount to £276,000
- 2.11. The council has 5 external clients (Oxfordshire County Council, Kidlington, Bicester, Gosford & Water Eaton and Parkwood) with a combined contractual spend of £433,900 but an income of £536,300 (after salaries and on costs are recharged). On a medium term basis there may be an opportunity to take on the contract and its management from Banbury Town Council, which is currently being undertaken on a temporary basis to cover a long term absence.
- 2.12. Spending on 'Cherwell In Bloom' is £154,500 with £47,163 received in income through sponsorship. The scheme covers Banbury, Bicester and Kidlington, with the majority of expenditure within Banbury, and comprises winter and summer bedding plants around the towns. The 'In Bloom' competition is more a consequence of undertaking attractive planting works rather than the driver for entry. There is scope to reduce costs through more effective planting, a lower maintenance specification or to look for increased sponsorship.
- 2.13. Spending on internal service comprises;
- Planning, corporate properties and car parks (£252,500)
 - Parks (£157,842)
 - Retained open spaces/commuted areas (£300,367), which largely comprise left-overs from the housing stock transfer and other small strips of land that no one else would want to adopt. Some income is received from commuted sums to cover these (£27,000)
 - 50% of the work undertaken by the arboricultural officers and landscape design officers is to provide a service to planning and these costs are recharged. Potential savings are included in one of the building blocks and requires the future service requirements to be determined.

- 2.14. After benchmarking the contract against rates obtained from neighbouring authorities the Strategic Procurement Manager's view is that the current contract offers good value for money, and the council would be best placed to extend this for a further 3 years (until 2015) rather than go out to market at this time in order to secure cost reductions with Continental. This would also save staff resources being tied up with a lengthy procurement process.
- 2.15. An independent assessment of contract assurance has been undertaken by Price Waterhouse Cooper as part of ongoing internal audit work. Their report was not available at the time of writing, but will be reported to CMT once final conclusions are reached.
- 2.16. The review also looked at the contracting and management arrangements of landscaping and grounds maintenance work in adjacent authorities;
- Landscaping works in Northamptonshire are part of a wider Environmental Service contract that includes Daventry and Northampton Borough councils landscaping work, with other councils in the area drawing down on other components of the contract. The grounds maintenance work is based on an outcome specification. South Northants have no direct responsibility (or cost) for grounds maintenance, these being delivered by other agencies. There is no scope currently to join this contract.
 - West Oxfordshire has an in-house service, and carries out work for other agencies; it acts as a contractor for various housing associations, maintains county highways verges, manages country parks, maintains all the council's corporate buildings and engages in private sector work for profit. It also works with both local and national housing developers with regard to S106 works prior to adoption, and has a long term public open space plan in place for future needs.
 - South Oxfordshire & Vale of White Horse manage two grounds maintenance contracts using a single team comprising a Parks Manager, a Parks Officer (Grounds Maintenance), Parks Officer (Monitoring - 4 days per week) and two admin officers (one 4 days/week and one full time). These staff also deal with parks, open spaces, play areas and closed churchyards etc. The work ranges from land ownership issues to producing tree surgery specifications and overseeing additional works. Both councils are looking to jointly procure a grounds maintenance contract from 1st April 2012.

Benchmarking of car parking

- 2.17. The best available data for benchmarking is the RA 2010/11 data. This has been supplemented by identifying those with civil parking enforcement activities to make more comparable, as this is thought to increase overall costs. In this analysis, Cherwell has the highest income per head of those authorities without civil parking enforcement powers.

Authority	Car parks	Civil Parking Enforce	RA 2010/11	£/head
Chelmsford	20	Y	-£ 2,709,000	-£ 16.21
Colchester	10	Y	-£ 2,547,000	-£ 14.07
Harrogate	28	Y	-£ 1,750,000	-£ 10.90
Cherwell	28	N	-£ 1,547,000	-£ 11.19
East Hertfordshire	25	Y	-£ 1,379,000	-£ 10.18
Test Valley	21	Y	-£ 1,068,000	-£ 9.25
Eastleigh	11	N	-£ 1,006,000	-£ 8.31
Basingstoke and Dean	17	N	-£ 905,000	-£ 5.60
Aylesbury Vale	17	N	-£ 719,000	-£ 4.09
Tonbridge and Malling	30	Y	-£ 692,000	-£ 5.91
Maidstone	17	Y	-£ 609,000	-£ 4.19
Ashford	12	Y	-£ 529,000	-£ 4.66

Braintree	8	Y	-£ 392,000	-£ 2.76
Vale of White Horse	16	N	-£ 193,000	-£ 1.65

- 2.18. A review of fees and charges reported to Executive in December 2008 and resulted in implementing the first rise in car park charges in 5 years, in January 2009. This led to increased parking income of £390,000 per annum in 2009/10. The Executive resolution was for these charges to be reviewed again after 2 years.
- 2.19. A survey of private sector car parks in Banbury, and council-owned car parks in neighbouring authorities, shows that for short stay parking Cherwell's prices are currently between 19% and 21% cheaper. Long stay parking varies from being 4% more expensive for short stays but up to 54% cheaper for 24hr parking. However, there are some private car park rates where any significant increase by Cherwell may make them more expensive and less attractive.
- 2.20. A further note of caution needs to be introduced; Income targets for 2010/11 currently are not being achieved. In January 2010 income was shown to be £200,000 below expected performance, and September 2010 projections estimate the year end position to worsen to £268,000 below target. This is being offset to a degree by increased excess charge income through more effective enforcement practices. At September this stood at £63,454 (22%) in excess of its profiled position. The full year effect of such a difference could amount to £80,000. The car parking changes in Bicester will also have significant budget implications.
- 2.21. A further area for income generation is the lack of parking charges in Kidlington. A covenant exists on the land to prevent charging for parking unless under the supervision of a 'paid attendant'. Free parking also exists at the nearby Exeter Hall, Tesco and Co-op car parks, which could undermine attempts to generate revenue through parking being displaced to these free parking areas.

Examination of other cost centres within Urban and Rural

- 2.22. Street Scene – accounts for 9 separate cost centres with an overall (net) spend of £319,000
- Urban centres - £175,667; covers minor improvements and the maintenance and repair of items of street furniture. Salaries and support costs account for £70,325 of the total, and capital charges a further £66,000, leaving a controllable budget of just £39,336. This is a small sum to cover the safe condition of items of furniture, which if neglected could give rise to claims from the public.
 - Shopmobility - £45,900, including a £26,000 grant for the Bicester scheme, and £11,900 for capital depreciation on the buggies purchased. This contrasts with the schemes operated by Castle Quay (Banbury) and Bicester Village (Bicester) which operate at no cost to the council. The redevelopment of Bicester Town Centre into a significant shopping centre gives rise to the potential to move the operation of this scheme into the private sector.
 - Christmas lights - £73,000, with £5,000 in income from Banbury Town Council. The existing contract is a 3 year (+2) contract which commenced in 2009, and has annual costs of £49,645. There is scope to look at sharing costs with the three urban councils (Banbury, Bicester and Kidlington) and/or reducing the scope of the lighting scheme to reduce costs here.
 - Street Markets - £63,400 costs against which £46,000 in income received. The council currently pays £34,000 in NNDR for the proportion of use of car park for the market and £12,000 in advertising to promote market days. This area has been recently market tested after the previous contractor went into administration, and it is unlikely there is scope for any additional income here, although the nature of the contract provides for income sharing from growth of the market.

2.23. Licensing

- Spending within Licensing is considered as 'ring fenced'. The fees charged for the grant of licences cannot be used as a revenue raising measure under the relevant legislation. At present any surplus is retained for funding special service-related projects. Management overheads have already been added to this area to offset costs to the maximum degree permissible
- Any reductions in Licensing spend would need to be addressed through reduced charges, and so would not generate any savings. Benchmarking using RA 2010/11 data shows Cherwell to be the 2nd lowest cost authority for providing this service already.

2.24. Rural and Countryside – accounts for 5 cost centres with an overall (net) spend of £189,621

- This area had benefitted until recently from £18,000 in income from the Planning and Housing delivery Grant, which has funded the part-time Ecology officer. Failure to consider ecological aspects of planning applications adequately runs the risk of any planning decision being quashed at judicial review. However, the phrasing of the NERC Act is that "every public authority must, in exercising its functions, have regard, so far as is consistent with the proper exercise of those functions, to the purpose of conserving biodiversity". Interpretation of the flexibility of "having regard was tested by a 2009 judicial review which found that local planning authorities must consider whether the tests of the Habitats Directive can be met when European Protected Species are affected by planning applications. Reduction of this service is one of the building blocks and requires the future service requirements to be determined. For example, these judgements may need to rely more heavily on technical work funded by the applicant developer.
- Around 30% of the total spend (£57,433) is made up of grants to outside bodies. Of this, £23,550 is allocated to ORCC in relation to rural development initiatives such as community led planning, providing services to village halls, village shops, and hosting the Oxfordshire Rural Forum. Cherwell's relationship with ORCC is partnership rather than contractual, but in line with a scrutiny recommendation a service level agreement for ORCC to be in place by 2011/12.
- Of the remainder of the grants budgets, £13,000 is allocated to a number of agencies to further the council's biodiversity responsibilities and rural action plan initiatives, and £6,130 to TVERC for environmental records. A contingency of nearly £9,000 is retained to cover issues that arise through the year. Due to an underspend in 2009/10, some agencies had their 2010/11 grants paid in advance at the end of 2009/10 in order to offset the impact of any loss of grant in 2011/12.
- The Team organise the twice yearly Parish liaison meeting and are the point of contact for town and parish councils.

2.25. Bus Station – accounts for £194,243 with £32,288 in income

- The council is responsible for providing a banksman to oversee the safe manoeuvring of buses while reversing at Banbury Bus Station. A portion (33%) of costs are recovered from Castle Quay, with a further proportion (33%) from levying a bus departure charge of 30p, which is calculated on bus company information.
- The manpower for this activity is provided by a Vehicle Parks Warden, although there is scope to use a less expensive post to carry out this work and release the Warden to generate additional income.

3 Conclusions

3.1. The conclusions that can be drawn from the evidence gathered are as follows;

- Landscaping is a large spending area and so a popular one to look to reduce but it has limitations due to its contract, which is seen to offer good value for money at present. A balance needs to be struck to ensure that any taking savings out of the contract do not jeopardise the sustainability of the contract itself. Residents' suggestions for cost reduction/income generation have limitations and consequences that make their adoption impractical (e.g. council-led nursery, only cutting longer grass)
- Contract management of landscaping work is currently being reviewed by PWC, and this may recommend we amend our approach in this area. Until the report is completed it is not possible to judge what the implications (if any) of this may be.
- The value for money offered by the contract is such that the Strategic Procurement Officer is satisfied that this can be extended for a further 3 years, which will allow for contract cost reductions to be negotiated and other procurement options to present themselves or be investigated over time.
- The revenue generated by external clients is significant and there may be scope to increase this. The income received offsets a proportion of the staffing and overhead costs to manage the contract.
- Aspects of the Street scene budget are seen as luxuries by the public (e.g. Christmas lights, bedding plants) and there is general support for reducing net expenditure through additional income. However, town centre businesses see these services as significant in attracting people to local shops.
- Licensing is very low cost. Any reductions in expenditure can't be drawn off in savings as legislation prevents it. There is public appreciation of the limited scope to achieve any such savings.
- There is public support for not reducing rural and countryside spending. A small staff complement exists but with a high proportion of budget spend (30%) through grants to enable others to undertake work (and responsibilities) in this area.
- Whilst there is not an explicit obligation to employ an Ecology Officer, we would be less well equipped to fulfil our NERC act duties without one. DEFRA's "Guidance for Local Authorities on implementing the Biodiversity Duty" (section 4) states "It is important that local authorities screen development proposals for potential effects on biodiversity to ensure biodiversity is fully considered and prevent delays in determining planning applications". First-stage screening can be done by planning staff, but where there are potential effects on protected habitats, sites and species, expert input is required. Without an ecology officer we would have to procure services from an external consultant or rely on work funded by the developer / applicant. Further work is needed to specify future service requirements
- Car parking still has potential for further charge increases if comparing with the private sector and neighbouring authorities. Lower public satisfaction with the value for money offered by car parking prices appears to be at odds with other facilities within urban centres and neighbouring authorities.

4 Options for Change

4.1. Three options are presented that provide for the following levels of savings;

- Option 1 – Total savings of £748,555 which can be achieved through increased income generation, reduced countryside activity, the reduction of planning advice from the service and a reduction in landscaping specifications and activity
- Option 2 – Additional areas of saving, some of which cannot be costed at this stage which would involve significant changes or ending some service provision

Option 1

- 4.2. The majority of the savings set out in this option are taken directly from the building block proposals which have been assessed for their impact, feasibility and savings potential.
- 4.3. The reduction in planning advice (building block 95) is not counted as a saving to the service as these costs are recovered by an internal recharge to the Planning service,
- 4.4. Of the remaining savings, £616,750 (82%) relate to income generation and £131,805 (18%) to reduced expenditure. This reduction in expenditure equates to 3.4% of the current gross service budget.

Option 1 Savings	Amount	Building Block	Year	Comment
Reduced countryside partnership activity – reduced grants	£5,924	32	2011/12	Currently being implemented Current budget is £36,760. Withdraw funding to Oxfordshire Kids on Farms (£2k), BBO Food Group (£1.5k), Cotswold AONB (£2.4k)
Reduced countryside partnership activity – Reduced “rural initiatives” budget	£4,076	32	2011/12	Currently being implemented
Reduce Ecology Officer hours	£3,971	-	2010/11	Currently being implemented. This is a reduction in hours from 16 to 12 per week
Reduce frequency of cash collection from car parks	£6,825	34	2010/11	Already implemented. An amendment to the schedule of cash collections from ticket machines will allow 21 less collections per week.
Cancel subscriptions within the service	£4,430	75	2010/11	Already implemented Cease subscribing to British Parking Association (£550), Chipside User Group (£50), TRL benchmarking (£675) and Park Mark (£3,155)
Cut funding for Xmas lights by 50%	£36,189	36	2011/12	The first option to secure this saving will be to recover 50% of existing costs from partners. Any shortfall will be met by scaling back the lighting displays to reduce cost. Discussions with partners are currently in hand
Car parking charges introduced for blue badge holders	£96,289	38	2011/12	Charges of between 70p and 80p per hour introduced at designated disabled spaces (£69,275) and at general spaces (£27,014), with disabled badge holders able to stay 1 hour over and above the maximum stay in all short stay car parks free of charge. Will require revised parking orders, changes to signing and reprogramming of machines.

Option 1 Savings	Amount	Building Block	Year	Comment
Introduce evening car park tariff	£39,640	39	2011/12	Introduce chargeable parking after 6pm Monday to Sunday across all council operated car parks. Will result in additional pay and display income (£26,640) and additional excess charge income (£13,000) Scrutiny has recommended not to proceed with this change as it would not generate significant income and would be difficult to enforce
Increase car parking charges from 1 February 2011	£167,000 to £356,000 (assume £200,000)	40	2011/12	Increase existing hourly parking rates by either 10p or 20p, and bring in additional charging periods (start at 7am, bank holidays, Sundays as per rest of week) Calculations are based on 2009/10 actual parking demand rather than those budgeted for in 2010/11, as parking activity has fallen.
Increased income from fines through Street Wardens taking on enforcement role	£15,750	42	2011/12	Street Wardens would have enforcement powers for littering and dog fouling. Income levels based on 7 wardens issuing 2 PCNs per week. Retraining costs would be in the region of £1,000 While altering the nature of Street Wardens from information providers to enforcers this would allow for the council's 'cleaner and greener' priority to be furthered.
Introduce pay and display parking in Watts Way, Kidlington	£184,000	45	2012/13	Based on long stay income of £46,886, short stay income of £111,193 and excess charge notice income of £25,878 A covenant exists on the land to prevent charging for parking unless under the supervision of a 'paid attendant'. Negotiations will be required and there will be a price to implement this scheme as a result. Free parking also in situ at Exeter Close, Tesco and Co-op car parks nearby Purchase and installation costs of pay and display machines estimated to be £18k. Negotiations to achieve this are likely to take 12 months.
Reductions to Cherwell in Bloom	£48,061	70	2011/12	This will be achieved by a £36k reduction in grounds maintenance, £10k reduction in bedding supply and a £2k reduction in sign replacement
Reduced standard of grounds maintenance for retained open spaces	£46,021	70	2011/12	This will be achieved by a lowering in the standard of grass cutting (£11.7k), 50% less on purchasing and planting trees and shrubs (£14k) and a £20k reduction in infrastructure improvement works (i.e. hard landscaping)
Reduced standard of grounds maintenance for CDC parks	£8,497	70	2011/12	This will be achieved by a 50% reduction in the purchase of trees and shrubs (£4k), a 30% reduction in sign replacement (£2.5k) and ceasing to maintain Widnell Park (£2k)
Reduction in arboricultural works in CDC car parks	£4,000	70	2011/12	This will be achieved through a 50% reduction in arboricultural work for car parks

Option 1 Savings	Amount	Building Block	Year	Comment
Increase the external income for grounds maintenance by increasing the client base	£28,882	70	2011/12	This saving would be achieved through a £55k increase in the external client base and is dependent on securing the Banbury Town Council contract, but it is stated that additional contract management support (£26k) would be needed to achieve this.
Landscape Service; Reduce existing 1 FTE by 0.5 FTE	£19,823	95	2011/12	The implications of this reduction could be a reduction in consultations on planning applications, only being able to provide advice on developments which qualify for on site play, open space or outdoor sports provision (Application advice & Construction monitoring), no ability to provide advice on none qualifying planning applications.
Aboricultural Service; Reduce existing 1 FTE by 0.5 FTE	£19,823	95	2011/12	The implications of this reduction could be a reduction in consultations on planning applications, only being able to provide advice on developments which qualify for on site play, open space or outdoor sports provision (Application advice & Construction monitoring), no ability to provide advice on non qualifying planning applications, no ability to administer or lead on notifications for works to trees within Conservation Areas, only provide advice if Town or Parish make comment or Planning Case Officer identifies potential TPO meeting agreed criteria.
Ecology Officer – remove post	£11,913	95	2011/12	This specialist advice has been pared back to what is considered a minimum acceptable level to ensure the council can still receive the specialist advice it requires to comply with the law. This option would remove all the in-house Ecology advice.
Create Bus Station Safety Officer post to release Vehicle Parks Warden post	£16,000	-	2010/11	Currently being implemented Post to be at lower grade to Warden post and also allows a reduction in overtime costs. The savings are through additional income generated from the Warden carrying out enforcement activity (estimated at £500-750 per week), less the cost of the post (£14,000)

Option 2

4.5. Further savings of at least £189,089 may be possible through implementing the additional savings options below. In some cases the potential saving cannot at this stage be estimated, but may be looked into further

Option 2 Savings	Amount	Building Block	Year	Comment
Bicester Town Centre developer to take on Shopmobility /support for scheme is ended	£45,900	-	2012/13	This will depend on the willingness of the Town Centre developer to take over this scheme, which would remove the need for the council to fund it. However, given that negotiations have completed it is unlikely that the developer will now take this on.
Cancel the erection of Christmas lights/fully subsidise the lights through sponsorship	£36,189	-	2012/13	This option would seek to fully fund the cost of erecting Christmas lights each year through sponsorship, or alternatively no longer have a lights display at Christmas. Additional sponsorship is unlikely in the current economic climate, and cancellation may be unpopular with residents
Cancel the In Bloom programme/fully subsidise the programme through sponsorship	£107,000	-	2012/13	This option would seek to fully fund the cost of the In Bloom programme, or alternatively cancel the programme. Additional sponsorship is unlikely in the current economic climate and cancellation may be unpopular with residents.
Charging for tree inspections	TBC	-	2012/13	Highlighted as good practice by CLG (with Dundee council as an exemplar) although there are concerns within the service that it does not have the capacity to undertake this additional work. Would need further investigation to assess its feasibility
Further Statutory/Discretionary savings areas to be explored	TBC	-	TBC	There are further savings opportunities that have not been fully covered by this Review but may arise from; <ul style="list-style-type: none"> • Externalising the parking service • Reducing Landscaping contract management provision • Further reducing the level of rural and countryside provision • Examining the best use of rural, countryside, ecology and arboricultural resources with client services • Considering the level of rural community development support provided (in conjunction with partner agencies)

4 Recommendations

- 4.1. In order to achieve the building blocks savings target of £730,096 option 1 should be pursued (saving a total of £748,555). This will involve;
- Increasing car park income through raised charging levels on existing car parks, the establishment of a new charging regime in Kidlington, additional enforcement activity by Street Wardens, introducing evening tariffs and charging for disabled parking
 - Achieving reductions in landscaping contract costs through reducing the scope and standards of current work
 - Achieving additional income for landscaping work through increasing the client base
 - Reducing countryside partnership activity and grants
- 4.2. To achieve the £60,000 savings on recharges to the Planning service it is recommended that the 3 options proposed in the Option 1 block to reduce staffing capacity be re-assessed alongside other options to meet the target (such as increasing fee income from planning advice and securing new clients to offset costs)
- 4.3. The following savings outlined in Option 2 be not pursued;
- The likelihood of income through full sponsorship of the In Bloom and Christmas lights schemes is low, and their cancellation would be unpopular
 - A number have not yet been assessed for their feasibility and cost reduction potential
- 4.4. The following savings outlined in Option 2 be pursued further;
- The feasibility of charging for tree inspections has not been fully assessed, and capacity within the service to achieve may be limited, but the service should investigate its potential
 - The likelihood of Bicester Shopmobility being taken on by the Town Centre developer is unlikely at this late stage, and ending this provision would be unpopular. The service should seek to offset a proportion of its costs through service charges to tenants on completion of the town centre redevelopment

Minute Item 93

Executive

Draft Budget 1, Corporate Plan and Service Plans 2011 - 2012

6 December 2010

Report of Head of Finance

PURPOSE OF REPORT

The Council has to adopt a budget for 2011/12 as the basis for calculating its level of Council Tax and has to base that budget on its plans for service delivery during the year, recognising any changes in service demand that may arise in future years. This is the first of three opportunities that the Executive has to shape and refine the interaction between the Corporate Plan, the service plans that underpin the corporate plan and financial matters before the final budget is presented to the Council on the 21st February 2011.

This report is public

Recommendations

The Executive is recommended:

- 1) to endorse the draft Corporate Plan for 2011-12 (detailed in Appendix 2);
- 2) to endorse the proposed service priorities for 2011-12 (detailed in Appendix 3);
- 3) to consider the draft budget (detailed in Appendix 1) in the context of the Council's service objectives and strategic priorities;
- 4) to note the areas of unavoidable revenue growth as detailed in the body of this report detailed in Appendix 1 – para 1.23;
- 5) to note the areas of additional income or cost reductions that will be considered in order to get to a balanced 2011/12 budget detailed in Appendix 1 – para 1.26 / 1.27;
- 6) to note the proposal on Council Tax for 2011-12 detailed in (para 2.10)
- 7) To note the outcome of the pay negotiations on 2011/12 pay deal (para 2.20);
- 8) to ask officers to prepare a response to the New Homes Consultation and a report detailing the implications;

- 9) to ask officers to give consideration to the impact of the recent planning fees consultation and the implications on income generation
- 10) to agree the approach to the overall capital programme and 2011/12 expenditure profile (detailed in Appendix 4);
- 11) to note the recommendations of the scrutiny reviews of training, fees and charges and capital programme that were considered at the Resources and Performance Scrutiny Board on 30th November 2010 and approve which should be included in the second draft of the budget: (detailed in Appendix 5 – to follow);
- 12) to advise of any other matters they would like taken into consideration in producing a balanced budget for the meeting of the Executive on 10th January 2011;
- 13) to endorse the draft revenue and capital budget and corporate plan as the basis for consultation.

Executive Summary

- 1.1 The significant savings and efficiencies delivered by the Council up to 2010/2011 had helped to achieve a sustainable medium term budget. Although further savings would have been required these were not on the scale of the financial challenge that now faces the council, which is a direct consequence of the Government's requirement to address a significant national budget deficit.
- 1.2 In light of the severe financial challenges a huge amount of work has been progressed from May 2010 to November 2010 in order to identify actions to reduce the Council's net budget position in 2011/12 and over the medium term forecast period to 2014/15. A number of cost reductions were approved for inclusion in the 2011/12 draft budget as part of the November report to the Executive "Early response to the CSR"
- 1.3 The Council has met its 2010/11 public promise to deliver £800k of budget reductions by April 2011 as well as delivering the 2010/11 Improvement plan which includes 12 Value for Money Reviews.
- 1.4 In light of the projecting government grant reduction a programme of identifying further areas of budget reductions or income generation has resulted in a comprehensive list of building blocks and general budget efficiencies. These reductions have been matched to the Council's priorities, recognise the requirements of the Corporate Plan and have focussed on minimising the impact on front line services.
- 1.5 The budget will form the financial expression of the Council's strategic priorities and service delivery plans for 2011/12; the allocation of resources against agreed service priorities (as seen in Appendix 3) is necessary in

order to achieve its strategic priorities.

- 1.6 The Resources and Performance Scrutiny Board have been reviewing the outcome of the public budget consultation exercise. This committee has reviewed expenditure allocated by public priority, conducted a detailed analysis of fees and charges, training budgets and reviewed all bids submitted for consideration in the 2011/12 Capital Programme. The outcome of this work will be reported to the Resources and Performance Scrutiny Board meeting on November 30th 2010 and any recommendations will be considered in by the Executive for inclusion in subsequent drafts of the 2011/12 budget.
- 1.7 There is a statutory requirement for the Council to set a balanced budget by 11 March 2011 and this report provides a first draft of the 2011/12 revenue and capital budget.
- 1.8 As far as possible it takes account of the Comprehensive Spending Review (CSR) to the extent that details have been disclosed and indicates other areas that may have financial implications.
- 1.9 The projected shortfall at draft 1 requires a further reduction in costs or increase in income of £1,114,180 is required. On the assumption that the Executive approve the scrutiny recommendations and the shared management business case with South Northamptonshire is approved by both Councils on December 8th 2010 then this will contribute circa £900,000 therefore reducing the deficit to a manageable £215,000.
- 1.10 A number of areas to review have been identified in Appendix 1(Para 1.26 / 1.27) The outcome of these reviews together with the updated position of the local government grant settlement and its implication on the current budget shortfall will be presented to the Executive in January 2011. At this stage it is expected that these together with the Councils ability to utilise reserves will deliver the remaining £215,000 shortfall and achieve a balanced budget for 2011/12.
- 1.11 Further work will continue on identifying additional budget reductions for future years and these will be detailed in the Medium Term Forecast which will be updated and presented as part of the final budget report.
- 1.12 This report also considers the draft capital programme for 2011/12.
- 1.13 The Spending Review will mean cuts in services but the Council will do all it can to minimise the effects of the cuts on front line services and build on its record of providing cost effective services and delivering efficiencies.
- 1.14 The draft 2011/12 revenue and capital budget and corporate plan will form the basis for consultation with our stakeholders and the output of this consultation will be considered in formulating the final 2011/12 budgets and Corporate Plan.

Background Information

2.1 Corporate Plan

The corporate plan has been reviewed for the period 2011- 2012. This review reflects the changing economic situation, the implications of local government grant reductions as detailed in the comprehensive spending review and significant strategic developments affecting the district such as the eco-town. The corporate plan takes into account the wide range of public consultation we undertake around local priorities through both our annual satisfaction survey and budget consultation workshops.

The objectives within the corporate plan for 2011 -12 are currently in draft form and will be confirmed after the public consultation in December. Detailed milestones and measures will be set in the final quarter of the year taking into account the latest performance information and budgetary position. As in previous years a set of council tax pledges will be drawn from the corporate plan. These will form a core set of performance milestones for the council which directly reflect the strategic priorities and will be monitored through our corporate performance scorecard. The developing corporate plan measures will be presented to Executive and Council with the drafts of the budget in January and February 2010.

Service Plans

2.2 Service plans are being developed alongside the draft budget and corporate plan. They will include comprehensive consultation feedback, a review of the strategic challenges facing each service and robust peer and member challenge. The service plans underpin the corporate plan and provide the operational detail that ensures the council's strategic priorities are delivered.

2.3 Copies of the draft Service Plans for 2011/12 will be made available on the Council's intranet site for Members to review in January 2011. Final drafts will form part of the background papers for the Budget and Corporate Plan reports presented to Executive and Council in February 2011.

Funding Implications

2.4 In light of the challenging financial position that faces the Council over the medium term, work has been in progress on the 2011/2012 budget since setting the 2010/2011 Budget in March 2010 in order that cost reductions could be considered well enough in advance to maximise contribution to the 2011/12 budget and understand the Medium Term Implications.

2.5 Comprehensive Spending Review (CSR 2010)

The Comprehensive Spending Review 2010 (CSR 2010) was announced

on 20 October 2010, this provided a high-level indication of the Government resources that will be available to local government for the next four financial years. The details of the CSR10 and implications for Cherwell District Council were reported to the Executive in November 2010.

2.6 The most significant point for this report is that the level of Government funding for local authority revenue expenditure at the national level will reduce by 26% in real terms over the next four years and that the reductions would be front loaded.

2.7 It should however be noted that the projected net budget deficit still remains subject to potentially significant change, this is because the Council's own grant figures and impact of the concessionary fare transfer will not be known until the announcement of the local government finance settlement in early December 2010 and this could potentially be very different from the average for local government based on the national level information in the CSR2010.

2.8 In addition CSR2010 did not include comprehensive details of all aspects of the spending review, this further important information should however become clear as the various Government White Papers and Consultation papers are released.

2.9 We have seen additional information and consultation papers on Council Tax Freeze in 2011/12, the new homes bonus and changes to setting planning fees which we are reviewing and considering the financial implications.

2.10 **Council Tax**

The Government's intention to freeze Council Tax for 2011/2012 has also been reflected in the draft budget. SR2010 confirmed that the Government will provide a revenue grant equivalent to a 2.5% increase in Council Tax to fund this freeze; this has therefore been included within the projected resources of the Council.

2.11 **New Homes Bonus**

The Government has just launched a consultation on the "New Homes Bonus Grant", a new "core" grant that will apply from 2011/12 to reward authorities that increase their council taxbase.

2.12 At one level the proposed scheme is very straight-forward. Each October, DCLG will collect information on housing stock by council tax band on the standard council tax form. Any additions to the total stock will attract funding through this scheme at a rate of £1,439 per Band D per year for six years. There will be an additional £350 per year for new "affordable" homes.

2.13 Changes in numbers of empty homes and new builds / demolitions will all

be taken fully into account in assessing the grant because payment will be based on the net change. Shire districts will receive 80% of the grant in two-tier areas, with nothing for police or fire authorities or the GLA.

- 2.14 From our early review one issue is clear that after the first year it is not fully-funded, with any shortfall coming from Formula Grant. By year six and beyond, around 80% of the money will need to come from the existing settlement. This means that the cash allocations in the CSR10 will be reduced from 2012-13 in order to pay for the New Homes Bonus; we assume 2011-12 will remain the same.
- 2.15 The consultation closes on 24 December 2010 and a detailed review of the scheme and implications for Cherwell District Council will be prepared in providing our consultation response. At this stage no budgetary impact has been built into the budget.

Planning Fees

- 2.16 This consultation paper seeks views on proposed changes to the planning application fees regime which would decentralise responsibility for setting fees to local planning authorities. We also propose to allow authorities to charge for resubmitted applications and to set higher fees for retrospective applications.
- 2.17 Proposals will help to reduce the subsidising of planning applications by local taxpayers. If accepted and approved by Parliament, the changes would be implemented from April 2011, with a six month transition period until October 2011.
- 2.18 The consultation closes on 7 January 2010 and a detailed review of the operational and financial implications for Cherwell District Council will be prepared in providing our consultation response. At this stage no budgetary impact has been built into the budget.

Other

- 2.19 We are also waiting for further information on the implications of the benefit reform, funding arrangements for housing benefits and council tax and these in particular may result in further substantial financial implications on the Council. Papers are due to be published in the coming weeks and months, so the funding situation will therefore continue to evolve for some time.

Pay Deal Update

- 2.20 In early 2010 the Council and Unison entered into a collective agreement which set out the local pay award for the following 3 years, as follows:

Year	% increase
2010-11	0%
2011-12	1.80%
2012-13	1.90%

- 2.21 This agreement was made on the basis of the known financial position at the time and was built into the Medium Term Financial Strategy. The cost for 2011-12 would have been £225,000. However, since the agreement was made there have been significant changes to the Council's financial position and that of the public sector generally, as a result of the new government's approach to addressing the national deficit.
- 2.22 The Chancellor announced a pay freeze across the public sector in his emergency budget in June. The Comprehensive Spending Review report, as we know, announced significant cuts to local authority funding (with cuts coming hardest in the next two years) and confirmed that the public sector is expected to lose approx 490,000 jobs over the next four years.
- 2.23 The combination of the government's pay freeze and the Council's financial position has made it very difficult now for the Council to honour the agreement for 1.8% next year. To do so would not only directly contradict the national advice from government but would also be very difficult to justify to Cherwell's residents who are themselves facing pay freezes, pay cuts, redundancy and many other pressures on their income.
- 2.24 Although we anticipate the government will enforce the public sector pay freeze via legislation this was not forthcoming and therefore does not to date provide a mechanism to over-rule local agreements.
- Officers were therefore tasked with attempting to re-negotiate the agreement with Unison in an attempt to bring in broadly in line with both the government's position and the budget position. Thanks in main to co-operation from the local Unison branch, a new agreement has been reached, without ballot.
- 2.25 The new agreement is as follows:
- April 2011** 0% general pay award
£250 flat rate increase applied to all grades below £25,000;
this relates to FTE substantive salaries.
- 2.26 This also replaces the remaining period of the three year agreement (and there is therefore now no agreement for pay awards beyond 2011/12) but we have agreed to undertake detailed negotiations during 2011 to reach a new local agreement for 2012/13 onwards. By this time the financial position of the Council and the broader effects of the public sector cuts will be clearer.
- 2.27 The government's proposed flat rate increase of £250 to all public sector employees earning less than £21,000 would have applied to 216 members

of staff at Cherwell. The agreement to extend the payment of this flat rate to FTE salaries below £25,000 means the increase will apply to 304 (56%) members of staff. The additional cost of extending to salaries between £21,000 and £25,000 is not yet built into draft 1 of the revenue budget but will be added to draft 2 and is listed as a further pressure in Appendix 3.

- 2.28 This agreement saves the Council £0.7m over the next 4 years and contributes directly to reducing the strain on the Council's Medium Term Financial Strategy.
- 2.29 This new agreement is subject to a collective agreement with the Council's recognised Trade Union as part of the agreed collective bargaining process. As such it becomes part of the individual contracts of employment of all staff and the Council is therefore protected from future challenge relating to the previous local agreement.

Pension Fund Valuation

- 2.30 We have received the provisional results of the triennial pension fund valuation and this indicates an increase of 2.9% in employer contributions. These increases can be staggered over 3 years at 0.9% and equate to ~ £118,000 additional costs per annum which have been built into draft 1 of the budget. This preliminary result is slightly better than MTFS scenarios where we had anticipated an increase in the range of 3% - 5%. The main factors which impact on the valuation apart from investment returns are the profile of membership, changes to profile in membership and previous funding levels.
- 2.31 The figures make no allowances for changes from the Hutton Commission including any increase in employee contributions (which we are expecting from April 2012), so there may need to be some revision to these figures before the final certificate is signed off. The Department for Communities and Local Government are advising Actuaries to delay final sign off to as close to the 31 March 2011 deadline as possible.
- 2.32 A report on the pension valuation and financial implications for the Council over the medium term forecast will be considered at the Executive in February 2011.

Budget Guidelines and Timetable

- 2.33 The Executive agreed the budget guidelines, service priorities and timetable at its meeting on 11th October 2010 after considering the medium term financial forecast and underlying financial strategy.

The Status of the Budget

- 2.34 The draft revenue budget as presented has been left, quite deliberately, with a funding gap to emphasise that it is work in progress. This type of gap is not unusual at this stage in the process and it can be covered by considering the actions listed within Appendix 1. The funding gap in the draft budget as presented is £1,114,181 and it is important that Members

are aware of this potential deficit before they finally commit funding against particular priorities and/or divert funding from low priority services.

- 2.35 As in previous years, the final allocation of central Government Grant and the amount available for distribution from the Collection Fund will be confirmed for Draft 2 of the budget. At this stage however given the outcome of the Comprehensive Spending review we have anticipated a reduction in grant of 13% and have already incorporated this reduction into this first draft of the Budget. Additionally we have incorporated an additional strain of £800K in respect of the transfer of Concessionary Fares and its associated funding to the County Council.
- 2.36 On the assumption that the Executive approve the scrutiny recommendations and the shared management business case with South Northamptonshire is approved by both Councils on December 8th 2010 then this will contribute circa £900,000 therefore reducing the deficit to a manageable £215,000. A number of areas to review have been identified in Appendix 1(Para 1.24) The outcome of these reviews together with the updated position of the local government grant settlement and its implication on the current budget shortfall will be presented to the Executive in January 2011. At this stage it is expected that these together with the Councils ability to utilise reserves will deliver the remaining £215,000 shortfall and achieve a balanced budget for 2011/12.
- 2.37 Further work will continue on identifying additional budget reductions for future years and these will be detailed in the Medium Term Forecast which will be updated and presented as part of the final budget report.
- 2.38 All capital bids received have been appraised by the Capital Investment Delivery Group according to the capital appraisal criteria and can be seen in Appendix 4a.
- 2.39 The bid appraisal matrix considers the driver behind the capital expenditure with anything which is compulsory or required for legislation gaining the maximum of 20 points. The bid is then scored accordingly to how directly or indirectly the expenditure supports the Councils strategic directives. Further points are awarded according to which of the Councils consultation priorities the bid meets, and finally the impact on service delivery, organisational risk and positive revenue implications are considered with points awarded accordingly. The maximum score any bid could achieve was 50 and the final scores ranged from 45 to 12.
- 2.40 These bids have then been reviewed by a working group of the Resources and Performance Scrutiny Board and their recommendations will be considered in Appendix 5.
- 2.41 The Capital Strategy for 2011/12 has a direct impact on the Treasury Management revenue budget in terms of the opportunity cost of reduced cash balances from the use of capital receipts and reserves. Decisions on the future capital programme will need to take into account the overall priorities and affordability in revenue as well as capital terms. A review of the capital bids, financing and impact on cashflow and investment income will be considered for the next draft of this budget.

Budget Consultation

- 2.42 Consultation will commence following approval of this report so that views can be sought in sufficient time for them to be taken into consideration when formulating the 2011/12 budget and council tax. The general consultation will take place via the Council website and in order to meet its statutory obligation to consult with business ratepayers meetings will be held with our local chambers of commerce.

Key Issues for Consideration/Reasons for Decision and Options

- 3.1 This report presents the Council's draft 2011/12 Revenue Budget, Capital Bids for consideration and Corporate Plan.

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

Option One To review draft revenue and capital budget to date and consider actions arising.

Option Two To approve or reject the recommendations above or request that Officers provide additional information.

Consultations

Executive

11/10/10 and 01/11/10

Resources and Performance Scrutiny Board

28/09/10, 12/11/10, 23/11/10, 30/11/10

Corporate Management Team

Various meetings throughout May 2010 to Nov 2010

Implications

Financial: Financial Effects – the significant financial effects of the budget are identified in Appendix 1. Any decisions made in relation to ongoing expenditure or income in the budget for 2011/12 will have repercussions in future years when current forecasts indicate the financial environment is likely to become increasingly difficult. The Council has a statutory duty to set a balanced budget and could incur the intervention of the Secretary of State if it failed to do so.

Consideration of this item will fall within the provisions of Section 106 of the Local Government Finance Act

1992, and Members affected by those provisions should declare accordingly and refrain from voting on the matter.

The council has developed a number of building blocks to meet the strain created through the reduction in Government grant, these in addition to the £800K public promise and additional efficiency savings have been built into this first draft of the Budget for 2011/12.

Comments checked by Karen Curtin, Head of Finance, 01295 221551.

Legal:

There is a statutory requirement for the Council to set a balanced budget by 11 March 2011 and the draft budget is part of that process.

Comments checked by Liz Howlett, Head of Legal and Democratic Services, 01295 221686.

Risk Management:

The significant risks and assumptions associated with the draft budget are outlined in Appendix 1 and a risk provision has been considered. On a broader front, if due consideration is not given to matching scarce financial resources carefully against properly assessed service priorities, the Council may fail in achieving its strategic priorities and in its duty to demonstrate value for money. A full appraisal of risk will be included in the final budget report detailing mitigations and a sensitivity analysis will be included in calculating the risk provision

Comments checked by Karen Curtin, Head of Finance, 01295 221551.

Wards Affected

All

Corporate Plan Themes

All

Executive Portfolio

Councillor James Macnamara
Portfolio Holder for Resources

Document Information –

Appendix No	Title
Appendix 1 Appendix 2 Appendix 3 Appendix 4 ,4a, 4b Appendix 5	Draft Revenue 2011/12 Budget and Analysis Draft Corporate Plan 2011/12 Service Priorities Draft 2011/12 Capital Bids and Funding Analysis Resources and Performance Scrutiny Board – Budget Scrutiny recommendations (to follow on after Nov 30 th meeting)
Background Papers	
2010/11 Budget Booklet 2010/11 Capital Programme Medium Term Financial Strategy Budget Guidelines 2010/11 Service Plans November 2010 – Response to CSR	
Report Author	Karen Curtin, Head of Finance Karen Muir, Corporate System Accountant Jessica Lacey, Technical Accountant Claire Taylor, Corporate Strategy & Performance Manager
Contact Information	01295 221551 karen.curtin@cherwell-dc.gov.uk

Draft Revenue 2011/12 Budget and Analysis

The Status of the Budget

- 1.1 This is the first draft of the budget and is currently subject to scrutiny of both revenue and capital together with amendments for new information relating to economic climate, confirmation of central Government Grant and the amount available for distribution from the Collection Fund. The draft budget will be presented to the Executive again on the 10th January 2011. Final version of the budget will be presented to the Executive on February 7th 2011 before approval by Council on February 21st 2011.

Budget Guidelines

- 1.2 The draft General Fund Revenue budget has been prepared in accordance with the guidelines agreed by the Executive at its meeting on 11th October 2010.

Economic Climate

- 1.3 UK economy - following the general election in May 2010, the coalition government has put in place an austerity plan to carry out correction of the public sector deficit over the next five years. The inevitable result of fiscal contraction will be major job losses during this period, in particular in public sector services. This will have a knock on effect on consumer and business confidence. House prices have started a negative trend during the summer and mortgage approvals are at very weak levels and also declining.
- 1.4 This downturn in the economy has given rise to a number of unanticipated budget pressures. One of the most immediate impacts of the credit crunch in Cherwell, like elsewhere, is the housing market slowing rapidly. This has seen a reduction in the current year of planning and land charge income, increase in benefit applications, increased fuel costs and these assumptions have been assumed to continue and built into the formation of the draft budget and considered in the review of risk.
- 1.5 Inflation beyond 2011 is forecast to fall back rapidly once the second increase of VAT by 2.5% (which in the short term will add 1.5% to CPI) next January falls out of the index after 12 months, together with other recent sharp increases in food and commodity prices. Consequently inflation at the two year horizon is forecast to fall to around 1.5%, below the target rate of 2%.
- 1.6 Sector, the Council's Treasury Management Advisors, are currently of the view that the Bank Rate may start to increase during Q3 and Q4 of the 2011/12 financial year by 0.5%. For the purpose of this draft of the budget we have assumed a reinvestment rate of 2% for investment income purposes.
- 1.7 The Council's decision in preparing the last MTFs forecast not to rely on investment income to deliver services assumes a 3 year profile and this together with the low interest rates will result in a reduction in investment income for 2011/12.

Medium Term Financial Forecasts

- 1.8 Our medium term financial forecasts were updated as a result of the Comprehensive Spending Review and as a result we are working on the basis of a £16.8m requirement over 4 years. The savings identified in draft 1 of the 2011/12 will provide a substantial contribution to this and a new medium term financial forecast will be included with the budget report in February 2011 once the final government funding is confirmed.

Investments in Iceland

- 1.9 The Council currently has a total of £6.5 million in short term investments (i.e. those with maturity periods of up to one year) with one of the affected banks Glitner. The latest position is that, the Council currently does not have preferential credit status and as such would only recover 29% of this balance. Local Authorities have objected to this creditor status and legal action is being taken.
- 1.10 Local authorities' objections will now be considered under the processes followed under Icelandic insolvency law, and court action will be taken as necessary. 14 test cases which contain legal arguments to support preferential creditor status and 100% recovery have been presented to the Icelandic Courts in September 2010. Cherwell represent 3 of these cases (each deposit is a separate test case).
- 1.11 The defendants including the winding up board are in the process of filing their submissions in response. If local authority deposits are awarded priority status, claims will be fully repaid. If local authority deposits do not get priority status, the Council will receive much less of its investment back.
- 1.12 No payment is expected before the court cases and any appeals for priority status. The earliest likely date by which payment could be made is June 2011 and on this basis we would need to write off the debt in 2010/11 accounts.
- 1.13 The Council have made a capitalisation request to Secretary of State to use capital receipts to offset this loss and a decision is expected on whether this has been approved no later than December 17 2010. If this request is declined then the Council will use earmarked revenue reserves to offset the loss which is part of the medium term financial strategy.
- 1.14 No investment income has been built into the 2011/12 budget for the return of the £6.5m principle at this stage but this will be reviewed as we progress legal proceedings and prepare the final 2011/12 budget.
- 1.15 The LGA is confident that local authorities' priority status as depositors will in due course be secured and 100% recovered and we will keep this committee informed of progress.

General Fund Revenue Budget

- 1.16 The draft General Fund Revenue budget is shown in Table 1. The revenue budget as presented has been left, quite deliberately, with a funding gap of £1,114,180. This type of gap is not unusual at this stage in the process and it can be covered by considering the actions listed in 1.23 / 1.24.

Table 1

SERVICE EXPENDITURE - excluding support allocation	Budget	Projection	Budget	Variance from 10/11 Projection	Variance from 10/11 Budget
	2010/11	2010/11	2011/12		
Corporate Core	£4,543,693	£4,399,250	£3,817,502	-£581,748	-£726,191
Environment & Community	£11,622,769	£11,846,690	£10,906,076	-£940,614	-£716,693
Planning, Housing & Economy	£4,947,243	£4,938,910	£4,801,858	-£137,052	-£145,385
Services Sub-Total	£21,113,705	£21,184,850	£19,525,436	-£1,659,414	-£1,588,269
Capital Charges Reversed	-£2,850,060	-£2,850,060	-£2,735,110	£114,950	£114,950
Net Expenditure Services	£18,263,645	£18,334,790	£16,790,326	-£1,544,464	-£1,473,319
(% decrease)	9%	0%	8%		0%
Reserves and Provisions	£263,881	£192,736	£421,624	£228,888	£157,743

	£18,527,526	£18,527,526	£17,211,950	-£1,315,576	-£1,315,576
Funding					
Investment Income	£1,348,753	£1,348,753	£891,127	-£457,626	-£457,626
Government Grant	£10,905,340	£10,905,340	£8,687,646	-£2,217,694	-£2,217,694
Collection Fund	£84,477	£84,477	£142,403	£57,926	£57,926
Council Tax	£6,188,956	£6,188,956	£6,376,594	£187,638	£187,638
	£18,527,526	£18,527,526	£16,097,770	-£2,429,756	-£2,429,756
Potential Shortfall	£0	£0	£1,114,180		
COUNCIL TAX					
Relevant Tax Base	50113	50113	50396		
Council Tax Rate for Band "D"	£123.50	£123.50	£123.50		
Council Tax Collection	£6,188,956	£6,188,956	£6,376,594		

- 1.17 Our assumption for Council tax is that we will set a 0% increase for 2011/12. CSR2010 confirmed that the Government will provide a revenue grant equivalent to a 2.5% increase in Council Tax to fund this freeze for a period of 4 years; this has therefore been included within the projected resources of the Council.
- 1.18 The revenue budget shows an overall 8% decrease in service expenditure in comparison with the 2010/11 revenue projection and a reduction from 2009/10 outturn of £3,587,491.
- 1.19 In light of the challenging financial position the Council faces in both this and forthcoming years, work has been in progress on the 2011/12 budget since setting the 2010/11 budget in March 2010. The Council made a public promise to deliver £800K worth of savings and in addition has developed Building Blocks across the organisation, identifying opportunities to either reduce costs or increase income generated. The aim being to compensate for the financial pressures arising from the Comprehensive Spending review, general economic climate and our strategy to reduce our reliance on investment income.
- 1.20 This first draft of the 2011/12 revenue budget demonstrates that we have delivered the £800K public promise and incorporated building blocks to the value £972K. In addition, we have also identified £580K worth of additional efficiencies which has also been built into this first draft.
- 1.21 There are three value for money (VFM) reviews going to the Executive in December for approval as part of the same agenda when this draft budget will be considered. Some of the proposals have been included in draft 1. If these proposals are not approved then alternative reductions will be required to offset these in draft 2. There are a number of these savings that have not been built in and these will be considered in addressing the budget deficit in draft 2.

Table 2 on the following pages provides a further breakdown :-

Table 2

Review of Savings	Building Block Description	B Block Number	£800K Savings Promise	Building Blocks	Efficiencies	Total	CRP	PHE	EAC	Total
Finance VFM 2009/10	Reduce 2 posts		£100,000			£100,000	£100,000			£100,000
Legal VFM 2009/10	Further £50k to be identified in 2010/11		£57,000			£57,000	£57,000			£57,000
Communications VFM 2010/11	Full review of printing, advertising and marketing - target 100k reduction		£115,000			£115,000	£115,000			£115,000
Corporate & Democratic Core VFM 2010/11	Review use of 3 Fund managers - target reduction in costs to Treasury Management		£10,000			£10,000	£10,000			£10,000
Corporate & Democratic Core VFM 2010/12	Review of democratic services - VFM - target £70k reductions		£70,000			£70,000	£70,000			£70,000
Corporate & Democratic Core VFM 2010/13	Review of community planning activities - target £20k reductions		£31,000			£31,000	£31,000			£31,000
Community Planning VFM 2009/10	Insurance review - merge with Finance and reduce 1 post		£49,000			£49,000	£49,000			£49,000
ICT review 2009/10	ICT review		£93,000			£93,000			£93,000	£93,000
Regeneration & Estates VFM 2009/10	Canteen - staff reductions and fee review		£27,000			£27,000		£27,000		£27,000
Housing Services VFM 2010/11	VFM - Annual Programme - Housing Services		£100,000			£100,000		£100,000		£100,000
Procurement Self Financing Target	Contract Negotiations - cashable savings		£150,000			£150,000	£150,000			£150,000
Admin Review II	Total Admin in PHE, EAC and Corporate equates to £1m - reduce by 10%	66		£13,000		£13,000	£13,000			£13,000
Contract Management	Review the contract management resource throughout the Council and centralise within one team with Procurement - reduce by 2 posts	85		£53,000		£53,000	£53,000			£53,000
Performance Regime	Consider the performance regime of the Council on the back of the demise of CAA - target reductions in performance team and admin as a result of reviewing what is measured and what is no longer necessary - assume 1 post deleted	108		£29,000		£29,000	£29,000			£29,000
Benefits Advertising	Not a statutory function to promote the take up of benefits - was an audit commission indicator	106		£5,000		£5,000	£5,000			£5,000
Training	Sell externally	54		£25,000		£25,000	£25,000			£25,000
Internal Audit	Review specification and consider reduction in light of CAA demise and stat/disc reviews - assume 20 day reduction in new contract negotiation in 12/13	112		£9,000		£9,000	£9,000			£9,000
Statutory / Discretionary Review		87		£6,000		£6,000	£6,000			£6,000
Street Wardens	Review budgets and target reduction of £16k	33		£15,800		£15,800			£15,800	£15,800

Review of Savings	Building Block Description	B Block Number	£800K Savings Promise	Building Blocks	Efficiencies	Total	CRP	PHE	EAC	Total
Car Parks	Reduced frequency of cash collections from machines	34		£6,800		£6,800			£6,800	£6,800
Subscriptions	Safer Communities Urban & Rural Services Cancel specified subscriptions within Service	35		£2,700		£2,700			£2,700	£2,700
Christmas Lights	Negotiate shared costs of Christmas Lights with Urban Centres	36		£36,000		£36,000			£36,000	£36,000
Nightsafe	Reduce officer time to 50%	43		£13,000		£13,000			£13,000	£13,000
Recycling Income	Improved recycling performance through increased targeting.	8		£45,000		£45,000			£45,000	£45,000
Gate Fees	Negotiated reduction in gate fees	9		£77,000		£77,000			£77,000	£77,000
Glass Collection	Lower net cost in-house collection service requires capital of £130k.	10		£76,000		£76,000			£76,000	£76,000
Bring Banks	Various operational efficiencies	11		£20,000		£20,000			£20,000	£20,000
	Reduced replacement bin costs by more repairs etc	13		£12,500		£12,500			£12,500	£12,500
Street Cleansing	Reduce staff levels through non-use of seasonal staff and not filling a vacancy created through natural turnover of staff.	14		£54,000		£54,000			£54,000	£54,000
Vehicle Maintenance	Increased income on MOT's	16		£5,000		£5,000			£5,000	£5,000
Vehicle Maintenance	Improved cost base	17		£2,500		£2,500			£2,500	£2,500
VFM Programme	Scalable structure, selective external hosting, alternative procurement etc	1		£134,000		£134,000			£134,000	£134,000
Colour printing	Substantial reduction to internal colour printing	2		£24,000		£24,000			£24,000	£24,000
Parish Websites	Alternative parishes website hosting	3		£2,100		£2,100			£2,100	£2,100
Cash Handling	Install 4 Autotellers.	6		£71,000		£71,000			£71,000	£71,000
Staffing	Implemented reduced hours for 3 posts	18		£29,000		£29,000			£29,000	£29,000
Leisure Development	No Projects Officer resulting in fewer projects, limited S106 activity and no support to parishes and other voluntary sector bodies	24		£26,000		£26,000			£26,000	£26,000
North Oxford Academy	Joint User Agreement	28		£41,000		£41,000			£41,000	£41,000
Cooper School	Joint User Agreement	27		£34,000		£34,000			£34,000	£34,000
Grants	No grants to village Halls	25		£39,000		£39,000			£39,000	£39,000
Expressions of Interest	Reduction in resources through expression of interest process	15		£58,000		£58,000			£58,000	£58,000
Facility Management	Centralisation of all and general reduction in service maintenance budgets - budget clarification required as costs covered in devolved budgets	100		£7,400		£7,400		£7,400		£7,400

Review of Savings	Building Block Description	B Block Number	£800K Savings Promise	Building Blocks	Efficiencies	Total		CRP	PHE	EAC	Total
EFFICIENCIES											£0
Efficiencies Corporate Core					£180,152	£180,152		£180,152			£180,152
Efficiencies PHE					£223,813	£223,813			£223,813		£223,813
Efficiencies EAC					£226,094	£226,094				£226,094	£226,094
Total			£802,000	£971,800	£630,059	£2,403,859		£902,152	£358,213	£1,143,494	£2,403,859
								38%	15%	48%	

1.22 The following table provides details of the “New Effects” in the 2011/12 budget. These are either additional expenditure or increased income. You will see that the net effect of these changes is minimal to the Councils bottom line budget, but they do represent in many instances uncontrollable changes from last year’s budget. They have been incorporated into service budgets whilst those services have still delivered their building blocks, contribution to the Councils £800K savings promise and further efficiencies.

Table 3

New Effects	£	CRP	EAC	PHE
	Total			
Removal of Capital Charges	-£33,000	-£33,000		
Movement in Subsidies - Exchequer Services	-£108,000	-£108,000		
Legal - Net effect Increased Planning fee Income and reduced Land Charge Income	-£31,000	-£31,000		
Reduced Admin Subsidy - Benefits Investigations	£9,000	£9,000		
NNDR - Increased Cost	£61,245		£47,932	£13,313
Increased Utility Charges	£23,710		£2,815	£20,895
Career Grade Increases	£13,000		£13,000	
Emergency Flooding and Land Drainage Services transferred to County	-£66,000			-£66,000
Completion of Town Centre Redevelopment - No further legal costs recovered.	£50,000			£50,000
Loss of Rental Income Orchard Way shops (redevelopment)	£28,000			£28,000
Impact of full year rent received for Lodge Bodicote House	-£4,800			-£4,800
Estimated strain of Car Park / Excess Charge and Season Ticket Income	£128,000		£128,000	
TOTAL	£70,155	-£163,000	£191,747	£41,408

1.23 In addition there are areas of Unavoidable Growth which have also been incorporated into the 2011/12 budget. These are of a more significant nature to New Effects and are detailed within the table below;

Table 4

Unavoidable Growth		Budget Increases
Concessionary Fares	Mid Point Impact of £800K for the transfer of Concessionary Fares to the County - incorporated within Draft 1 - awaiting notification.	£800,000
Reduction In Revenue Support Grant	13% Reduction of Revenue Support Grant incorporated into Draft 1- awaiting notification.	£1,417,694
Increased Pension Provision	Impact of 2010 pension revaluation -staggered over three financial years – 2011/12 impact detailed across.	£117,624
Loss Of Housing Planning Delivery Grant	Impact Offset By VFM Review of Service.	£0
Loss of Community Cohesion Grant	Impact Offset By Reduction in expenditure	£0
	TOTAL	£2,335,318

1.24 Our Medium Term Financial Strategy requires efficiency savings and we have a NI target of 3.1% in 2010/2011. The draft budget presented includes a significant level of qualifying efficiencies which will be collated and reported to the February Executive meeting. From a budgetary point of

view only cashable savings are relevant since non-cashable savings do not reduce the overall cost to the Council. Although the national indicator NI179 that is used to measure this has been withdrawn the ongoing identification of efficiency savings must continue to be treated as a high priority.

- 1.25 In order to balance the budget a further reduction in costs or increase in income of £1,114,180 is required.
- 1.26 On the assumption that the Executive approve the scrutiny recommendations and the shared management business case with South Northamptonshire is approved by both Councils on December 8th 2010 then this will contribute circa £900,000 therefore reducing the deficit to a manageable £215,000.

Table 5

AREAS PENDING APPROVALS	IMPACT	CONTRIBUTION RANGE
Scrutiny Recommendations re Training	Reduce Costs	Up to £72,000
Scrutiny Recommendations re Fees & Charges	Increase Income	£300,00 - £500,000
Joint Working Decisions SNDC or Plan B	Reduce Costs	£333,000 (business case)

- 1.27 The following areas will be considered and an estimated range of contribution to the deficit is included.

Table 6

AREAS FOR FURTHER REVIEW	IMPACT	CONTRIBUTION RANGE
Building Block - Administration Review	Reduce Costs	Up to £87,000
Revenue Implications of Capital Programme	Increase / Reduce Costs	-£20,000 to £140,000
Pay Grade Adjustments - (£250 for over £25K)	Increase Costs	£20,000 to £30,000
Grant Reductions (Appendix 3 1st November Executive Report)	Reduce Costs	£25,000 to £75,000
Other Reductions (Appendix 4 1st November Executive Report)	Reduce Costs	£150,000 to £322,000
VFM Reviews (Executive in December)	Reduce costs	£25,000 to £100,000
Review of Interest Calculations	Reduce / Increase Income	
Review of Risk Contingency and Reserves	Increase/Reduce Provision	
Finalisation of Collection Fund	Increase / Reduce	
Notification of Revenue Support Grant (13% reduction in DRAFT 1)	Increase / Reduce	Each 1% increase or decrease equals £110,000
Concessionary Fares – awaiting final confirmation of budget pressure	Increase / Reduce	

- 1.28 The outcome of the reviews in 1.23 and 1.24 together with the updated position of the local government grant settlement and its implication on the current budget shortfall will be presented to the Executive in January 2011 but at this stage it is expected that these together with the Councils ability to utilise reserves will deliver the remaining £215,000 shortfall and achieve a balanced budget for 2011/12.
- 1.29 Further work will continue on identifying additional budget reductions for future years and these will be detailed in the Medium Term Forecast which will be updated and presented as part of the final budget report.

Risk

- 1.30 As ever the Council needs to plan its budget amidst a high degree of uncertainty, which brings with it risks. As well as specific mitigating actions on individual issues, risks are also addressed as part of our corporate risk register, proactive budget monitoring, service planning process and consideration of risk in all key decisions and committee reports.
- 1.31 The draft budget includes a specific service risk provision of £100,000 and a general provision of £160,000 which equates to 1% of projected net expenditure and is in line with our budget planning.
- 1.32 A full appraisal of risk will be included in the final budget report detailing mitigations and a sensitivity analysis will be included to calculate the specific risk provisions.

Reserves

- 1.33 In addition to the robust risk control measures it will be necessary for the Council to maintain a general fund general balance as the ultimate safeguard. This balance is projected to be circa £1m. A full review of Council reserves will be detailed in the February report to the Executive.

Further Document Information

Detail	
Scrutiny Reports	28/09/2010 , 12/10/2010 , 23/11/2010 , 30/11/2010
Executive Reports	1/11/2010 Early Response to Comprehensive Spending Review.
Building Blocks	1/11/2010 Early Response to Comprehensive Spending Review.
£800K Savings Promise	1/11/2010 Early Response to Comprehensive Spending Review.

Cherwell District Council's new corporate plan will be developed for the same period as covered by the comprehensive spending review (4 years 2011/12 - 14/15). This version outlines the Council's priorities for **year one** of the period (**2011-2012**) taking into account the possible reduction in the Council's net budget from £18.5m to £17m.

This draft outlines the Council's four strategic priorities and the objectives that underpin each one. The performance of each objective will be monitored through either progress against projects, key milestones or numerical performance measures. The detail behind these measures and milestones will be set out in January 2011 after the completion of public consultation.

** Specific note should be made of objectives A3 and C1 which will be further developed when national policy implications are fully understood including the Localism Act and policy guidance relating to the role of the voluntary sector (the 'Big Society').*

	A A District of Opportunity	B A Cleaner Greener Cherwell	C A Safe, Healthy and Thriving Community	D An Accessible Value for Money Council
1	<p>Work with partners to tackle disadvantage in the District.</p> <ol style="list-style-type: none"> Brighter Futures in Banbury (project measure) Homelessness, Benefits, take up, improving service, supporting residents through benefits reforms, to include mortgage rescue (project and numerical measures) Support people into work - apprenticeships and the Job Club (project measure) 	<p>Provide excellent waste collection and recycling services, working to reduce the amount of waste produced and to increase recycling across the district.</p> <ol style="list-style-type: none"> Recycling rates (% numerical measure) Total waste reduction (numerical measure) Customer satisfaction (numerical measure) 	<p>* Support the local community, voluntary and not for profit sectors to play an active role in the district.</p> <ol style="list-style-type: none"> Work with the local voluntary sector to provide advisory services for the local community (project measure) Support volunteering across the district (project measure) Develop a new community development strategy to ensure the Council's work in this area provides value for money and addresses local need (project measure) 	<p>Provide value for money and a financially sound organisation, minimising the impact of smaller council budgets on frontline and priority services.</p> <ol style="list-style-type: none"> Achieve annual savings plan targets (financial measure against medium term financial strategy) Ensure the Council's budget is matched to strategic priorities and services are able to demonstrate they provide value for money (finance/project measure) % of people who feel the Council provides value for money (satisfaction measure annual survey)
2	<p>Balance economic development and housing growth.</p> <ol style="list-style-type: none"> Major new housing projects (measured through the AMR) (numerical measure) Affordable housing delivery(% numerical measure) Promoting economic development through business advice / support, inward investment, Local Enterprise Partnerships (project measure) 	<p>Work to ensure our streets, town centres, open spaces and residential areas are clean, well maintained and safe.</p> <ol style="list-style-type: none"> Street and environmental satisfaction (numerical measure) Litter/graffiti/fly-tipping/dog mess (numerical measure) CCTV TBC – may need an alternative 	<p>Provide good quality recreation and leisure opportunities in the district.</p> <ol style="list-style-type: none"> Maintain current levels of visits/usage to district leisure centres (measure to be determined) Maintain high customer satisfaction with Banbury Museum (attendance figures and schools attendance - numerical measure) Work with partners to develop the SW Bicester multi-sports village (project measure) 	<p>Work with partners to reduce Council costs.</p> <ol style="list-style-type: none"> Reduce senior management costs by implementing a single shared senior management team with South Northants Council (financial measure) Explore opportunities to share further services with South Northamptonshire Council, for example building control (project measure) Explore opportunities to develop other service delivery models to further reduce the Council's costs (project measure)

	A A District of Opportunity	B A Cleaner Greener Cherwell	C A Safe, Healthy and Thriving Community	D An Accessible Value for Money Council
3	<p>* Develop a robust and locally determined planning framework.</p> <ol style="list-style-type: none"> 1. Localism – implement the Localism Act in the district (project measure) 2. Transport/infrastructure (project measure) 3. Development control (project measure) 	<p>Work to reduce our impact on the natural environment, limit our use of natural resources and support others in the district to do the same.</p> <ol style="list-style-type: none"> 1. Energy Efficiency / local energy generation (project measure) 2. CO2 reduction (project measure) 3. Fuel poverty / affordable warmth (project measure) 	<p>Work with partners to tackle anti-social behaviour and support community safety.</p> <ol style="list-style-type: none"> 1. Work with partners to reduce crime and the fear of crime in the district. (numerical measures) 2. Work with partners to tackle Anti-Social Behaviour in the district (numerical measure) 3. Provide a programme of activities for young people (project measure) 	<p>Demonstrate that we can be trusted to act properly for you by being transparent about our costs and performance.</p> <ol style="list-style-type: none"> 1. Publish financial and performance data on our website on a monthly basis to enable local people to scrutinise us (project measure) 2. Publish an annual report of our performance and accounts providing a summary of our performance in respect of local priorities (project measure) 3. Consult with local residents in a cost effective manner to ensure the Council has a good understanding of local priorities (project measure)
4	<p>Work to improve the quality and vibrancy of our town centres and urban areas.</p> <ol style="list-style-type: none"> 1. Canal side Banbury (project measure) 2. Bicester Town Centre (project measure) 3. Bolton Road Banbury (project measure) 	<p>Work with partners to support the development of Eco-Bicester, creating a centre of excellence in terms of green or sustainable living.</p> <ol style="list-style-type: none"> 1. Make progress delivering the first phase of housing (400 homes built in to the highest environmental standards) (project measure) 2. Demonstration projects (project measure) 3. Community participation (project measure) 	<p>Support improvement of local health facilities, services and standards across the district.</p> <ol style="list-style-type: none"> 1. Support the local NHS to retain and develop health services at the Horton General Hospital (project measure) 2. Continue to support new and improved health services in Bicester and the surrounding area (project measure) 3. Promote active lifestyles (project measure e.g. the Ageing Successfully programme) 	<p>Work to ensure we provide good customer service through the delivery of high quality and accessible services.</p> <ol style="list-style-type: none"> 1. Maintain existing levels of customer satisfaction (numerical measure) 2. Maintain existing levels of satisfaction with information provided by the Council (numerical measure) 3. Increase the number of our services accessible online / make it easier to deal with the Council online (project measure)
Pledges? Possible areas for public pledges could include the following service areas:				
1	Affordable Housing (%)	Recycling	Leisure Centres	Savings
2	Bicester Town Centre	Street and Environmental Satisfaction		Customer Satisfaction
3		Eco-Bicester		Increase the number of online line services

Frontline Service Priority Framework for 2011/12

Service Area	Priority Ranking 2010/11	Priority Ranking 2011/12
Refuse collection & Recycling	1	1 ⇔
Strategic Housing	1	1 ⇔
Anti-social behaviour	1	2 ↗
Economic Development and Regeneration	2	2 ⇔
Sports facilities	3	3 ⇔
Local Development	3	3 ⇔
Community Development	3	3 ⇔
Housing Needs	4	3 ↗
Private Sector Housing	4	3 ↗
Local Transport and Concessionary Fares	4	4 ⇔
Leisure development	3	4 ↘
Revenues & Benefits	4	4 ⇔
Cleansing	4	4 ⇔
Environmental Protection	4	4 ⇔
Arts	4	4 ⇔
Rural Areas	4	4 ⇔
Car Parking	4	4 ⇔
Estates	4	4 ⇔
Safer communities	3	5 ↘
Health Promotion	3	5 ↘
Building Control and Engineering	5	5 ⇔
Public Protection	5	5 ⇔
Conservation & Urban Centres	4	5 ↘
Planning & Enforcement:	5	5 ⇔
Planning control	6	6 ⇔
Diversity and equality	6	6 ⇔
Landscape	7	7 ⇔
Banbury Museum	7	7 ⇔
Tourism	7	7 ⇔
Licensing	7	7 ⇔

Draft Capital Programme 2011/12

- 1.1 A total of 27 bids were received of which 3 were deleted at appraisal stage. This leaves 24 bids for consideration and these are analysed according to consultation priority below:

Priority	No. of bids
1 Refuse collection & recycling, housing (needs, strategic & private sector), anti-social behaviour	6
2 Economic development & regeneration	2
3 Sports facilities, local, community & leisure development, safer communities, health promotion	2
4 Cleansing, local transport & concessionary fares, environmental protection, conservation & urban centres, arts, rural areas, car parking, estates	1
5 Building control & engineering, public protection, enforcement	0
6 Planning control, diversity & equality	0
7 Landscape, Banbury museum, tourism, licensing	0
Corporate Revenue & benefits, democratic services, chief executive office, member services, corporate charges, communications, treasury, improvement, community planning, elections, land charges	13
	24

- 1.2 The draft capital proposals to date for 2011/12 are shown in Appendix 4a these bids totalling £3,933,314 still need to be considered in the context that they must meet with the Council's priorities. Each scheme is supported by an appraisal and these have been scored according to priority by the Capital Investment Delivery Group.
- 1.3 At least one third of the capital bids can be categorised as spend to save initiatives and generate positive revenue implications which if considered for inclusion in the final 2011/12 capital programme will contribute to the financial challenges ahead.
- 1.4 The new capital bids have been scrutinised by the Resources and Performance Scrutiny Board and their observations and recommendations are detailed in Appendix 5.
- 1.5 The Capital Strategy for 2011/12 has a direct impact on the Treasury management revenue budget in terms of the opportunity cost of reduced cash balances from the use of capital receipts and reserves. Decisions on the future capital programme will need to take into account the overall priorities and affordability in revenue as well as capital terms.
- 1.6 Capital balances are expected to reduce to less than £20m in 2014/15 and a detailed forecast will be included in draft 2 identifying the financial implications.
- 1.7 The Executive has agreed that 21 capital schemes which were approved as part of the 2010/11 budget process but which work has been delayed until

2011/12 will also be delivered in 2011/12 and these are detailed schedule in Appendix 4b.

- 1.8 A summary of the draft capital programme and recommended financing is summarised below:

	Total Scheme Cost	2011/12 Profile
Schemes approved and slipped from 2010/11 (Appendix 4b)	£12,012,000	£6,762,000
Proposed programme (Appendix 4a)	£5,912,314	£3,893,980
Total Capital Programme to be Financed	£17,924,314	£10,655,980
Financed by:		
Capital Receipts	£13,902,264	£8,156,980
Government Grants		
<i>£375k per annum Governmental Grant Funding towards Mandatory Disabled Facilities Grants</i>	£1,500,000	£375,000
Use of Reserves		
<i>Wheeled Bins Reserve</i>	£15,000	£15,000
<i>Vehicle Replacement Programme</i>	£605,050	£207,000
<i>Housing Reserves</i>	£1,902,000	£1,902,000
	£17,924,314	£10,655,980

- 1.9 The Capital programme review is still ongoing and therefore a revision to the Capital programme with full financial implications will be included for consideration in the January and February 2011 budget reports.

Further Document Information

Appendix No	Title
Appendix 4a	New Capital Bid Proposals
Appendix 4b	Schedule of capital schemes slipped from 2010/11

Capital Bids 2011/12 by Score

Bid No.	Consultation Priority	Capital Scheme	Service Head	Service	Capital Bid Score	Total		
						Estimated Capital Cost £s	Estimated Cost for 2010/11 £s	Revenue Costs / (Savings) £s
24	1	Mandatory Disabled Facilities Grants (DFGs)	Gillian Greaves	Housing Services	45	£860,000	£860,000	
19	4	Vehicle Replacement Programme	Ed Potter	Environmental Services	44	£2,186,000	£207,000	(£5,000)
9	C	Extended Contract for Website Hosting	Pat Simpson	Customer Service & Information Systems	40	£59,000	£19,666	(£8,000)
5	C	Photovoltaics at Bodicote House and Banbury Museum	David Marriott	Economic Development & Estates	39	£350,000	£350,000	(£109,436)
20	C	Solar Photovoltaics at Thorpe Lane Depot	Ed Potter	Environmental Services	39	£100,000	£100,000	(£10,000)
21	C	Solar Photovoltaics at Sports Centres	Paul Marston Weston	Recreation & Health	39	£785,000	£785,000	(£370,500)
14	C	Uniform & Corporate Geographic Information Systems (GIS) Database & Application Upgrades	Pat Simpson	Customer Service & Information Systems	38	£15,000	£15,000	
22	1	Delegated Affordable Housing Capital Pot	Gillian Greaves	Housing Services	36	£500,000	£500,000	
23	1	Discretionary House Condition Grants	Gillian Greaves	Housing Services	36	£325,000	£325,000	
6	1	Orchard Way Refurbishment	David Marriott	Economic Development & Estates	34	£250,000	£250,000	(£216,000)
8	3	CCTV Internet Protocol Transmission	Chris Rothwell	Urban & Rural Services	34	£100,000	£100,000	
17	1	Mini MRF (Materials Recovery Facility)	Ed Potter	Environmental Services	34	£29,000	£29,000	(£30,000)
18	1	Recycling Bins Programme	Ed Potter	Environmental Services	34	£15,000	£15,000	(£4,000)
4	2	Fees of Future Regeneration Schemes	David Marriott	Economic Development & Estates	31	£50,000	£50,000	
1	C	Replacement Voicemail Service	Pat Simpson	Customer Service & Information Systems	29	£10,000	£10,000	
3	C	Highfield Depot Repairs	David Marriott	Economic Development & Estates	29	£10,000	£10,000	
11	C	Virtual Server Infrastructure Expansion	Pat Simpson	Customer Service & Information Systems	29	£30,914	£30,914	(£9,462)
12	C	Storage Area Networks (SAN) Expansion	Pat Simpson	Customer Service & Information Systems	29	£41,900	£41,900	(£7,328)
13	C	Core Business System Integration	Pat Simpson	Customer Service & Information Systems	28	£52,500	£52,500	
16	3	Corporate Bookings System	Ian Davies	Environment & Community	23	£50,000	£50,000	£22,500
7	C	Community Intelligence Hub	Chris Rothwell	Urban & Rural Services	21	£20,000	£20,000	(£17,000)
27	2	Kidlington Pedestrianisation	David Marriott	Economic Development & Estates	18	£50,000	£50,000	
10	C	SMS Text Messaging Functionality	Pat Simpson	Customer Service & Information Systems	17	£13,000	£13,000	£10,000
15	C	Contact Centre Call Recording	Pat Simpson	Customer Service & Information Systems	12	£10,000	£10,000	£1,000
GRAND TOTAL						£5,912,314	£3,893,980	(£753,226)

C = this service was not consulted on as part of the public consultation exercise

APPENDIX 4b

2010/11 APPROVED BIDS SLIPPED INTO 2011/12

Bid No.	Capital Scheme	Service Head	Strategic Priority	Score given 2010/11	Slippage agreed as at 1st Nov 2010	
P/Y 1	Funding for Mollington & Hornton Rural Exception Sites	Gillian Greaves	District of Opportunity	30	£	60,000
P/Y 2	Purchase of Temporary Accommodation Bryan House Bicester & Edward Street Banbury	Gillian Greaves	District of Opportunity	31	£	330,000
P/Y 3	Kidlington Pedestrianisation	David Marriott	District of Opportunity	19	£	20,000
P/Y 4	Fees for Future Regeneration Schemes	David Marriott	District of Opportunity	17	£	50,000
P/Y 5	Climate Changes Initiatives Fund	Ed Potter	Cleaner, Greener	Pre 10/11	£	16,000
P/Y 6	Bicester Cattle Market Car Park Phase 2	David Marriott		Pre 10/11	£	94,000
P/Y 7	Old Bodicote House	David Marriott	Accessible Value for Money	Pre 10/11	£	371,000
P/Y 8	Land at Claypits Lane Bicester	David Marriott		Pre 10/11	£	187,000
P/Y 9	Orchard Way Banbury Redevelopment	David Marriott		Pre 10/11	£	1,100,000
P/Y 10	Financial Ledger - Agresso 5.5	Karen Curtin		Pre 10/11	£	50,000
P/Y 11	Budget Module	Karen Curtin		Pre 10/11	£	15,000
P/Y 12	Fleet Management System	Ed Potter	Accessible Value for Money	27	£	28,000
P/Y 13	Village Hall, Recreation Play Grants	Paul Marston-Weston		Pre 10/11	£	19,000
P/Y 14	South West Bicester Sports Village	Paul Marston-Weston		Pre 10/11	£	270,000
P/Y 16	Urban Centres Improvements	Chris Rothwell		Pre 10/11	£	7,000
P/Y 17	Replacement Cabling Infrastructure for CCTV	Chris Rothwell		Pre 10/11	£	55,000
P/Y 19	Online Service Provision via Forms	Pat Simpson		Pre 10/11	£	20,000
P/Y 21	Banbury Pedestrianisation	David Marriott		Pre 10/11	£	20,000
P/Y 23	Thorpe Lane Depot	David Marriott		Pre 10/11	£	50,000
P/Y 24	Bicester Town Centre Development	David Marriott		33	£	4,000,000
						£ 6,762,000

2011/12 Budget Scrutiny Outstanding Actions, Recommendations and Conclusions

Recommendations		
<p>Having undertaken a review of the Council's revenue and capital budget proposals for 2011/12 with specific focus on the building blocks, fees and charges and capital programme, reviewing the capital bids received as part of the 2011/12 process, the Executive is recommended to consider the following recommendations from the Resources and Performance Scrutiny Board:</p>		
Recommendations	Reasons and Comments	Projected additional income/savings 2011/12
Capital Programme 2011/12		
<p>1. That the following capital bids be recommended for inclusion in the capital programme 2011/12:</p> <ul style="list-style-type: none"> • Bid 1: Replacement Voicemail Service • Bid 3 Highfield Depot Repairs • Bid 4: Fees of Future Regeneration Schemes • Bid 5: Solar Photovoltaics at Bodicote House and Banbury Museum • Bid 6: Orchard Way Museum • Bid 7: Community Intelligence Hub • Bid 8: CCTV Internet Protocol 	<p>Members were satisfied with the evidence presented for each of these bids.</p>	-

Resources & Performance Scrutiny Board
2011/12 Budget Scrutiny

<p>Transmission</p> <ul style="list-style-type: none">• Bid 9: Extended contract for Website Hosting• Bid 10: SMS Text Messaging Functionality• Bid 11: Virtual Server Infrastructure Expansion• Bid 12: SAN Expansion• Bid 13: Core Business System Integration• Bid 14: Uniform & Corporate GIS Database and Application Upgrades• Bid 17 Mini MRF (Materials Recovery Facility)• Bid 18: Recycling Bins Programme• Bid 19: Vehicle Replacement Programme• Bid 20: Solar Photovoltaics at Thorpe Lane Depot• Bid 21: Solar Photovoltaics at Sports Centres• Bid 22; Delegated Affordable Housing Pot• Bid 23: Discretionary House Condition Grants• Bid 24: Mandatory Disabled Facilities Grants (DFGs)		
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Resources & Performance Scrutiny Board
2011/12 Budget Scrutiny

<p>2. That the following capital bid not be included in the capital programme 2011/12:</p> <ul style="list-style-type: none"> • Bid 15: Contact Centre Call Recording 	<p>There are no tangible revenue implications arising from this bid and an alternative means of implementing contact centre call recording can be considered as part of the Value for Money review of Customer Services.</p>	<p>-</p>
<p>3. That consideration of bid 17, Kidlington pedestrianisation, be deferred until such time as discussions with external partners are concluded and more information available and at this time the bid be rescored and submitted as a supplementary bid.</p>	<p>At present there is no external funding for the bid which contributes to the relative low score for the bid. Discussions will take place with external partners regarding funding, the outcome of which may result in the rescoring of the bid.</p>	<p>-</p>
<p>Staff Training</p>		
<p>4. That within staff training the Executive should:</p>		
<p>i. Reduce the budget allocation for staff attending conferences by 50%.</p>	<p>The current budget allocation for staff attending external conferences and seminars is extremely high in comparison to the other categories.</p>	<p>c. £60k</p>
<p>ii. Give the Learning and Development Manager authority to approve or refuse requests from staff to attend external training, with a right of appeal to the Chief Executive (through CMT).</p>	<p>The approvals system for officers attending conferences and seminars should be tightened. The Council could consider developing a robust policy that would govern criteria for attendance on external courses and that this would contribute to the reduction of unnecessary expenditure.</p>	<p>Linked to 2 - i</p>
<p>iii. Agree that conferences and seminars need to be identified during the performance appraisal process and unless identified at this stage attendance should normally be refused.</p>	<p>The approvals system for officers attending conferences and seminars should be tightened. The Council could consider developing a robust policy that would govern criteria for attendance on external courses and that this would contribute to the reduction of unnecessary expenditure.</p>	<p>Linked to 2 - i</p>

Resources & Performance Scrutiny Board
2011/12 Budget Scrutiny

Member Training		
5. That within Member training the Executive should:		
i. Reduce the member training budget by £7,505 and this reduction should be included in the 2011/12 budget build.	The Member training budget has traditionally been under spent however reducing the budget beyond the proposed could result in the Council not achieving the Member development Charter which it had already invested in	£7505
ii. Agree that following achievement of the Member Development Charter this budget be further reviewed as part of the 2012/13 budget build.	The Council has already invested in achieving the Member Development Charter. Once this has been achieved the budget can be further reviewed.	-
Environmental Services		
6. That within Environmental Services the Executive should:		
i. Amend the pricing for bulky waste collections as follows: <ul style="list-style-type: none"> • £9 for up to three recyclable items • £18 for up to three non-recyclable items 	Promotes reduce, re-use, recycle principles and supports the Cleaner, Greener corporate priority.	£30k
ii. Remove concessions for bulky waste collections.	Online ordering of bulky waste will reduce the number of calls to the customer service centre	see 6 – i
iii. Reduce the charge for a blue bin to £18.	Increase blue bin use and so increase recycling rates. Supports the Cleaner, Greener corporate priority.	

Resources & Performance Scrutiny Board
2011/12 Budget Scrutiny

<p>iv. Introduce a charge of £5 for a third and any subsequent blue boxes.</p>	<p>Reduces the amount spent on boxes and increase blue bin use and so increase recycling rates. Supports the Cleaner, Greener corporate priority.</p>	
<p>v. Increase the charge for 25 trade waste sacks to £39.50 (plus VAT).</p>	<p>Linked to the reduced price of dry recycling trade sacks. Encourages businesses to recycle waste rather than send it to landfill and supports the Cleaner, Greener corporate priority.</p>	
<p>vi. Reduce the charge for 25 dry recycling trade sacks to £29.50 (plus VAT).</p>	<p>Linked to the increased price of trade waste sacks. Encourages businesses to recycle waste rather than send it to landfill and supports the Cleaner, Greener corporate priority.</p>	
<p>vii. Introduce a 12 month trade contract for small business with three categories:</p> <ul style="list-style-type: none"> • Standard Recycler - £7 per month (1 roll waste sacks and 1 roll recycling sacks) • Good Recycler - £9.50 per month (1 roll waste sacks and 2 rolls of recycling sacks) • Excellent Recycler - £11.50 per month (1 roll waste sacks and 3 rolls of recycling sacks). 	<p>Will help small businesses and encourage greater use of the trade recycling service. Supports the Cleaner, Greener corporate priority.</p>	
<p>viii. Include a taxi test in the price of the MOT for taxis</p>	<p>By amending the price, the facility should be more attractive to taxi owners and this should make the MOT bay at Thorpe Lane depot more competitive and bring in additional income.</p>	
<p>ix. Continue to offer a pest service</p>	<p>This keeps the Council in line with neighbouring services who provide a pest service</p>	<p>-</p>
<p>x. That the concession for wasps be removed.</p>	<p>In a full year the cost of the concession is more than £20k</p>	<p>£14k</p>

Resources & Performance Scrutiny Board
2011/12 Budget Scrutiny

xi. That the concession for rats and mice be retained.	The cost of the concession is relatively low. There are concerns that there would be an increase in rats and mice should the concession be removed.	-
Finance		
7. That within Finance the Executive should:		
i. Recharge to customers the fees incurred by Cherwell District Council for processing credit card payments.	Passes on costs incurred by CDC. Brings CDC in line with many other Local Authorities.	£30k p/a based on 10/11 spend
ii. Increase court fees as detailed below subject to approval by the Magistrates Court: <ul style="list-style-type: none"> • Council Tax issue of summons: £55 • Council Tax liability order: £40 • National Non-Domestic Rates (NNDR) issue of summons: £70 • National Non-Domestic Rates (NNDR): £48 	Brings CDC in line with the average charged by other Local Authorities in the county.	Circa £108k based on 10/11 spend
Safer Communities, Urban and Rural Services		
8. That within Safer Communities, Urban and Rural Services the Executive should:		
i. Increase the car park tariffs by 10p per hour (Banbury £0.70 to £0.80/hr, Bicester £0.60 - £0.70/hr)	The 2009 fees and charges review recommended that car park tariffs be reviewed and increase biannually. The increase takes account of the rise in VAT from 17.5% to 20% from January 2011. Members of the Resources and Performance Scrutiny Board raised concerns	£167k - £356k

Resources & Performance Scrutiny Board
2011/12 Budget Scrutiny

	<p>about the impact of the parking increases on businesses and the local economy in Banbury and Bicester.</p> <p>With reference to Bicester, Members of the Resources and Performance Scrutiny Board requested that the Executive take into consideration the redevelopment currently underway in Bicester which is causing disruptions and impacting on the town centre.</p>	
<p>ii. Increase the Excess Charge Notice (ECN) fees by £10 for each contravention</p>	<p>The current charges were set in 2009 on the basis the Council would move to Civil Parking Enforcement. This has not happened and is unlikely to be implemented for at least 18 months. CDC can set 'fine' levels as it sees fit. This maintains the fees in line with expected Civil Parking Enforcement charges.</p>	<p>c. £30k based on current performance</p>
<p>iii. Introduce a 'premium' charge for failure to pay within the specified time scale in line with the Civil Parking Enforcement (CPE) regime but set at £100</p>	<p>Moves Excess Charge Notice charge for failure to pay within specified timescale in line with Civil Parking Enforcement 'Charge Certificate' process.</p>	<p>see 8 – ii</p>
<p>iv. Retain the pricing structure for season tickets in line with increases in pay and display charges</p>	<p>Season ticket prices will still be significantly below private competitor rates and offer generous discounts on daily tariff.</p>	<p>-</p>
<p>v. Bring the charging period for Sundays and Bank Holidays in line with the rest of the week and introduce hourly charging on the same basis</p>	<p>Unifies car park tariffs</p>	
<p>vi. Introduce a flat rate evening parking charge and when determining the fee the Executive should be mindful of the impact of the effect of the charges on the night time economy and existing businesses.</p>	<p>The 2009 fees and charges review recommended that car park tariffs be reviewed biannually. The introduction of evening charges would generate additional income however the Executive are requested to consider the effect on the night-time economy in Bicester and Banbury when considering the charge.</p>	<p>Depends on fee applied</p>

Resources & Performance Scrutiny Board
2011/12 Budget Scrutiny

vii. Agree that the implementation date for the above recommendations i – vi be 1 March 2011	This will allow for the required consultation period.	detailed in recommendations 8 - i – vi
viii. Not extend the chargeable period from 08.00 to 07.00	This would not generate significant income.	Nil impact
ix. Not introduce charges on Good Friday, Easter Sunday, Christmas Day, Boxing Day and Easter Sunday.	This would not generate significant income and would be difficult to enforce.	Nil impact
x. No increase be made to Licensing fees	Licensing fees are already being recovered and statute does not allow the grant of licences to be a revenue raising measure	Nil impact
xi. Increase the fee for Public Path Orders to £1200 with immediate effect.	The fee has not been reviewed for several years. Current CDC cost is £400 which does not cover the time invested. The proposed fee is in line with other Councils.	£800 per application

Conclusions

In addition to the recommendations detailed above, during the budget scrutiny process the Resources and Performance Scrutiny considered the areas below for which there are no recommendations. Members agreed to submit comments for consideration by the Executive during their budget discussions.

Service Area / Issue	Conclusion / Comments
Safer Communities, Urban and Rural Services: Introduction of parking charges for blue badge holders	<p>In deliberating the introduction of parking charges for blue badge holders, Resources and Performance Scrutiny Board members request that the Executive take their comments into consideration.</p> <p>During the budget scrutiny process the Resources and Performance Scrutiny Board considered Building Block 38 – Blue Badge spaces. The building block proposes the introduction of car parking charges for Blue Badge holders which could generate an income of up to £96k.</p>

Resources & Performance Scrutiny Board
2011/12 Budget Scrutiny

	<p>The Board discussed the proposals in detail and questioned the Portfolio Holder for Safer Communities, Urban and Rural, the Head of Safer Communities, Urban and Rural Services and the Head of Finance about the building block. Members noted that there were various options for the introduction of charging blue badge holders within the building block including permitting blue badge holders an additional hours parking free of charge and introducing a new season ticket discount scheme for blue badge holders.</p> <p>Whilst acknowledging the need for the Council to generate income in the current economic climate, noting that blue badges are not means tested, that a number of Local Authorities in the country charge blue badge holders to park and that privately operated car parks in Banbury already charge blue badge holders, some Members of the Board raised the following concerns about the introduction of parking charges for blue badge holders.</p> <ul style="list-style-type: none">• A potential increase in parking on double yellow lines (as this is permitted for blue badge holders in certain circumstances)• Additional pressure on vulnerable people• Financial implications, notably the cost of engineering works making the pay and display machines accessible• No other Oxfordshire districts currently have parking charges for blue badge holders (although Members noted that Oxford City applies blue badge charging in the city centre)
Concessions Policy	<p>During the budget scrutiny process a number of areas Members considered related to concessions. The Council does not currently have a Concessions Policy. Members agreed that the Council needs a clear and consistent concessions policy based on equitable access to all services. Resources and Performance Scrutiny Board members agreed to work with Finance officers to develop a Concessions Policy in spring 2011.</p>