

**Committee:** Budget Planning Committee  
**Date:** Tuesday 17 February 2015  
**Time:** 6.30 pm  
**Venue:** Bodicote House, Bodicote, Banbury, OX15 4AA

### Membership

<b>Councillor Nicholas Mawer (Chairman)</b>	<b>Councillor Douglas Webb (Vice-Chairman)</b>
<b>Councillor Ken Atack</b>	<b>Councillor Carmen Griffiths</b>
<b>Councillor Timothy Hallchurch MBE</b>	<b>Councillor Mike Kerford-Byrnes</b>
<b>Councillor Melanie Magee</b>	<b>Councillor Alastair Milne Home</b>
<b>Councillor Nigel Randall</b>	<b>Councillor Barry Richards</b>
<b>Councillor Barry Wood</b>	<b>Councillor Sean Woodcock</b>

## AGENDA

1. **Apologies for Absence and Notification of Substitute Members**

2. **Declarations of Interest**

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

3. **Urgent Business**

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

4. **Minutes** (Pages 1 - 4)

To confirm as a correct record the minutes of the meeting held on 19 January 2015.

**5. Chairman's Announcements**

To receive communications from the Chairman.

**6. Discretionary Rate Relief - amendment to Retail Relief Policy and introduction of Transitional Relief Policy (Pages 5 - 16)**

Report of Head of Finance and Procurement

**Purpose of report**

For members of Budget Planning Committee to consider a minor amendment to the Retail Relief Policy and the proposed introduction of a Transitional Relief Policy before consideration by Council.

**Recommendations**

The meeting is recommended:

- 1.1 To consider and approve the proposed amendments to the Business Rates Retail Relief Policy (Appendix 1) and the introduction of a Transitional Relief Policy (Appendix 2) for recommendation to full Council for approval.

**7. Quarter 3 2014-15 - Revenue and Capital Budget Monitoring Report (Pages 17 - 22)**

Report of Director of Resources

**Purpose of report**

This report summarises the Council's Revenue and Capital position, treasury management and procurement performance for the first nine months of the financial year 2014-15 and projections for the full 2014-15 period.

To receive information on treasury management performance and compliance with treasury management policy during 2014-15 as required by the Treasury Management Code of Practice.

**Recommendations**

Budget Planning Committee is recommended:

- 1.1 To note the projected revenue and capital position at December 2014.
- 1.2 To note the quarter 3 (Q3) performance against the 2014-15 investment strategy and the financial returns from the funds.

**8. Work Programme 2014-15 (Pages 23 - 24)**

To review and note the Committee Work Programme

## 9. Exclusion of Press and Public

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

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

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

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

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

## 10. Proposed Capital Bids for CCTV at Thorpe Lane Depot and Bodicote House (Pages 25 - 30)

Exempt report of the Commercial Director (Bicester)

## 11. The Hill Community Centre

Exempt Verbal Update from the Commercial Director (Bicester)

**Councillors are requested to collect any post from their pigeon hole in the Members Room at the end of the meeting.**

## Information about this Meeting

### Apologies for Absence

Apologies for absence should be notified to [democracy@cherwellandsouthnorthants.gov.uk](mailto:democracy@cherwellandsouthnorthants.gov.uk) or 01327 322043 prior to the start of the meeting.

### Declarations of Interest

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

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

Members are reminded that any member who is two months in arrears with Council Tax must declare the fact and may speak but not vote on any decision which involves budget setting, extending or agreeing contracts or incurring expenditure not provided for in the agreed budget for a given year and could affect calculations on the level of Council Tax.

### **Evacuation Procedure**

When the continuous alarm sounds you must evacuate the building by the nearest available fire exit. Members and visitors should proceed to the car park as directed by Democratic Services staff and await further instructions.

### **Access to Meetings**

If you have any special requirements (such as a large print version of these papers or special access facilities) please contact the officer named below, giving as much notice as possible before the meeting.

### **Mobile Phones**

Please ensure that any device is switched to silent operation or switched off.

### **Queries Regarding this Agenda**

Please contact Emma Faulkner, Democratic and Elections  
emma.faulkner@cherwellandsouthnorthants.gov.uk, 01327 322043

**Sue Smith**  
**Chief Executive**

Published on Monday 9 February 2015

# Agenda Item 4

## Cherwell District Council

### Budget Planning Committee

Minutes of a meeting of the Budget Planning Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 19 January 2015 at 6.30 pm

Present: Councillor Nicholas Mawer (Chairman)  
Councillor Douglas Webb (Vice-Chairman)

Councillor Ken Atack  
Councillor Carmen Griffiths  
Councillor Mike Kerford-Byrnes  
Councillor Melanie Magee  
Councillor Alastair Milne Home  
Councillor Nigel Randall  
Councillor Barry Richards  
Councillor Barry Wood  
Councillor Sean Woodcock

Apologies for absence: Councillor Timothy Hallchurch MBE

Officers: Karen Curtin, Commercial Director (Bicester)  
Paul Sutton, Head of Finance and Procurement  
Nicola Jackson, Corporate Finance Manager  
Emma Faulkner, Democratic and Elections Officer

#### 61 **Declarations of Interest**

There were no declarations of interest.

#### 62 **Urgent Business**

There were no items of urgent business.

#### 63 **Minutes**

The Minutes of the meeting of the Committee held on 18 November 2014 were confirmed as a correct record and signed by the Chairman.

#### 64 **Chairman's Announcements**

There were no Chairman's Announcements.

65 **Provisional Local Government Finance Settlement 2015-16**

The Committee considered the report of the Head of Finance and Procurement, which outlined the provisional local government finance settlement for 2015-16.

**Resolved**

- (1) That the report and the impact of the provisional local government finance settlement be noted
- (2) That it be noted that the final settlement announcement was expected towards the end of January 2015
- (3) That the impact of the provisional local government finance settlement upon the Council in consideration of its budget preparation for 2015-16 and beyond be noted

66 **Work Programme 2014-15**

The Committee considered the draft work programme for the 2014/15 year.

Officers advised the Committee that the date of the next meeting needed changing, in order to allow them to consider the Quarter 3 Budget Monitoring report ahead of its consideration by Executive on 2 March 2015.

**Resolved**

- (1) That, subject to the next meeting being moved to Tuesday 17 February from Tuesday 10 March 2015, the work programme be noted

67 **Exclusion of Press and Public**

**Resolved**

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

68 **Medium Term Revenue Plan and draft 2015-16 Revenue and Capital Budgets - Exempt Presentation and Appendices**

The Committee considered the exempt presentation and appendices of the Head of Finance and Procurement, relating to the Medium Term Revenue Plan and Revenue and Capital Budget Proposals for 2015-16.

The Commercial Director (Bicester) answered the Committee's questions in relation to Capital bids.

It was proposed by Councillor Nick Mawer and seconded by Councillor Barry Richards that Capital bid 3 be amended and be recommended to Executive for approval.

**Resolved**

- (1) That the exempt presentation and appendices be noted
- (2) That, subject to amendments as set out in the exempt minute, Capital bid 3 be recommended to Executive for approval

69 **Re-admittance of the Press and Public**

**Resolved**

That the press and public be re-admitted to the meeting.

70 **Medium Term Revenue Plan and draft 2015-16 Revenue and Capital Budgets**

The Committee considered the report of the Head of Finance and Procurement, which detailed Revenue and Capital budget proposals for 2015-16.

It was proposed by Councillor Nick Mawer and seconded by Councillor Douglas Webb that a 0% Council Tax increase be recommended to Executive for consideration.

**Resolved**

- (1) That the updated Medium Term Revenue Plan be noted
- (2) That the Revenue Budget proposals for 2015-16 be noted
- (3) That the following Capital bids be recommended to Executive for approval:

<b>Bid number</b>	<b>Project</b>
1	Wood Green Leisure Centre Dry Side Refurbishment
2	Bicester Sports Village
3	The Hill Youth and Community Centre
4	Workshop Brake Rollers
5	Glass Recycling Bank Scheme
6	Public Conveniences
7	Vehicle Replacement Programme
8	Banbury museum – Emergency Lighting Replacement
9	Bodicote House – Access Control System

16	Orchard Way Shopping Arcade
19	Unit 21 and 23 Thorpe Place
20	Woodgreen – Condition Survey Works
21	Discretionary Housing Grants
22	Disabled Facilities Grants
23	HR/Payroll System replacement (CDC/SNC)
24	Microsoft Licensing
25	Disaster Recovery
26	Email Archiving
27	5 year rolling Hardware/Software replacement programme
28	Business Systems Harmonisation Programme
29	Visualfiles Upgrade

- (4) That Executive be recommended to propose a 0% Council Tax increase to full Council for approval in February 2015

The meeting ended at 8.25 pm

Chairman:

Date:



## Cherwell District Council

### Budget Planning Committee

17 February 2015

<p><b>Discretionary Rate Relief – amendment to Retail Relief Policy and introduction of Transitional Relief Policy</b></p>
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### Report of Head of Finance and Procurement

This report is public

#### Purpose of report

For members of Budget Planning Committee to consider a minor amendment to the Retail Relief Policy and the proposed introduction of a Transitional Relief Policy before consideration by Council.

#### 1.0 Recommendations

The meeting is recommended:

- 1.1 To consider and approve the proposed amendments to the Business Rates Retail Relief Policy (Appendix 1) and the introduction of a Transitional Relief Policy (Appendix 2) for recommendation to full Council for approval.

#### 2.0 Introduction

- 2.1 In December 2013 the Government's Autumn Statement announced a range of business rates relief initiatives to support businesses in 2014-2015 and 2015-2016. One of which was Retail Rate Relief. As the changes were a temporary measure the government is providing the relief by reimbursing in full those local authorities that use their discretion under Section 47 of the Local Government Finance Act 1988 (as amended) subject to state aid limits. In February 2014 the Council approved a Retail Rate Relief Policy. Relief of up to £1,000 is awarded to all qualifying properties with a rateable value of £50,000 or less. In its Autumn Statement 2014 the Government announced it was increasing the relief to £1,500 from 1<sup>st</sup> April 2015.
- 2.2 Transitional Relief was introduced from 1 April 2010 to help those ratepayers who were faced with higher business rates bills as a result of the revaluation. The scheme ends on 31 March 2015 as at the time the next revaluation was planned to take effect from 1<sup>st</sup> April 2015. The Government has, however, delayed the revaluation to 2017 and as a result a small number of ratepayers will face an increase to their full rates bill from 1 April 2015. Government guidance has been

issued to billing authorities about the operation and delivery of the relief and that it expects relief to be granted to qualifying ratepayers.

- 2.3 Although the Government will meet the full costs of these reliefs, the Council needs to pass a resolution making these awards under its discretionary powers in section 47 of the Local Government Finance Act 1988 as amended by Section 69 of the Localism Act 2011. It is necessary, therefore, to amend the existing retail relief policy to reflect the increase in the relief awarded and introduce a new policy for transitional relief.

### **3.0 Report Details**

#### **Improved Retail Rate Relief**

- 3.1 In December 2014 the Government announced that the amount of Retail Rate Relief they are prepared to fund will increase to £1,500 from 1 April 2015. The relief is available to all eligible occupied retail properties with a rateable value of £50,000 or less. The properties that benefit from the relief are those wholly or mainly used as shops, restaurants, cafes and drinking establishments. Guidance has been issued by DCLG as to the criteria that should be used in determining eligibility for the relief.

#### **Transitional Relief**

- 3.2 The Government also announced in the Autumn Statement that it will extend to 31 March 2017 the current transitional relief scheme as a result of their decision to postpone the revaluation.
- 3.3 As this is a measure for 2015-2016 and 2016-2017 only, the Government is not changing the legislation. Instead it will reimburse local authorities that use their discretionary relief powers under Section 47 of the Local Government Finance Act 1988 (as amended) to grant relief.
- 3.4 It will be for individual billing authorities to adopt a local scheme and decide in each individual case to decide when to grant relief under Section 47. Central Government will fully reimburse local authorities for the local share of the discretionary relief using a Section 31 grant. In view of the fact that such expenditure will be reimbursed it is expected that billing authorities will grant discretionary relief to eligible ratepayers.
- 3.5 Properties that will benefit are those with a rateable value of up to and including £50,000 which would have continued to receive transitional relief in 2015-2016 and 2016-2017 had the existing transitional relief scheme continued in its current format.

### **4.0 Conclusion and Reasons for Recommendations**

- 4.1 For members of Budget Planning Committee to consider a minor amendment to the Retail Relief Policy and the proposed introduction of a Transitional Relief Policy before consideration by Council.

## **5.0 Consultation**

None

## **6.0 Alternative Options and Reasons for Rejection**

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

Option 1: Members could agree not to determine a revised Business Rates Retail Relief Policy and Transitional Relief Policy, but this would mean the Council is not complying with Central Government guidance and it would be to the detriment of ratepayers in the district.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 In awarding the retail and transitional relief in accordance with the guidance the Council will be able to be fully reimbursed through the NNDR claim process.
- 7.2 It is estimated that the award of retail relief in 2015-2016 will be £860,500 and transitional relief will be £60,000 which will be reimbursed by Section 31 Grant.

Comments checked by:

Nicola Jackson, Corporate Finance Manager 01295 221371

nicola.jackson@cherwellandsouthnorthants.gov.uk

### **Legal Implications**

- 7.2 The guidance for both retail relief and transitional relief advises that Councillors should consider the awarding of relief in accordance with their powers for granting discretionary rate relief as provided for by Section 47 of the Local Government Finance Act 1988 (as amended).

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107

kevin.lane@cherwellandsouthnorthants.gov.uk

## **8.0 Decision Information**

### **Wards Affected**

All

### **Links to Corporate Plan and Policy Framework**

All

**Lead Councillor**

Councillor Ken Atack, Lead Member for Financial Management

**Document Information**

<b>Appendix No</b>	<b>Title</b>
1	Retail Relief Policy
2	Transitional Relief Policy
None	
<b>Report Author</b>	Geni Hotchkiss, Revenues Manager
<b>Contact Information</b>	01327 322170 geni.hotchkiss@cherwellandsouthnorthants.gov.uk

## Cherwell District Council

### Business Rates Retail Relief Policy

#### 1. Introduction

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

#### 2 Qualifying properties

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

The following types of businesses will qualify for the relief:

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

<b>Photo processing</b>	
<b>DVD and video rentals</b>	
<b>Tool hire</b>	
<b>Car hire</b>	
<b>Restaurants</b>	
<b>Takeaways</b>	
<b>Sandwich shops</b>	
<b>Coffee shops</b>	
<b>Pubs</b>	
<b>Bars</b>	

### **3. Properties not eligible for relief**

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

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

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

### **4. Claiming retail relief**

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

### **5. State Aid**

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

**6. How much relief will be available?**

The total amount of government-funded relief available under the scheme is £1,000 for 2014-2015 and £1,500 for 2015-2016. The relief will be applied to the net bill after all other reliefs.

**7. What if I occupy more than one property?**

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

**8. How payments will be made**

Relief awarded will be credited against the Business Rates Bill.

**9. Right of Appeal**

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

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

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# Cherwell District Council

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

### 1. Introduction

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

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

### 2. Which properties will benefit from transitional relief?

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

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

### 3. How much transitional relief will be available?

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

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

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

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

#### **4. Recalculations of relief**

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

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

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

#### **5. Claiming transitional relief**

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

#### **6. State Aid**

State Aid law is the means by which the European Union regulates state funded support to businesses. Providing discretionary relief to ratepayers is likely to amount to State Aid. The extension of transitional relief is State Aid compliant where it is provided in accordance with De Minimis Regulations. We have to establish the award will not result in you "the undertaking" having received more than €200,000 of De Minimis aid in a three year period and will send you a De Minimis Declaration form for completion and return.

## **7. How will transitional relief be awarded?**

Relief awarded will be credited against the Business Rates Bill.

## **8. Right of Appeal**

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

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

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## Cherwell District Council

### Budget Planning Committee

17 February 2015

<b>Quarter 3 2014-15 – Revenue and Capital Budget Monitoring Report</b>
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### Report of Director of Resources

This report is public

#### Purpose of report

This report summarises the Council's Revenue and Capital position, treasury management and procurement performance for the first nine months of the financial year 2014-15 and projections for the full 2014-15 period.

To receive information on treasury management performance and compliance with treasury management policy during 2014-15 as required by the Treasury Management Code of Practice.

#### 1.0 Recommendations

Budget Planning Committee is recommended:

- 1.1 To note the projected revenue and capital position at December 2014.
- 1.2 To note the quarter 3 (Q3) performance against the 2014-15 investment strategy and the financial returns from the funds.

#### 2.0 Introduction

- 2.1 In line with good practice budget monitoring is undertaken on a monthly basis within the Council. The revenue and capital position is reported monthly to the Joint Management Team and formally to the Budget Planning Committee on a quarterly basis. The report will go to the Executive on 2 March 2015.
- 2.2 The revenue and capital expenditure in Q3 has been subject to a detailed review by Officers and reported monthly to management as part of the corporate dashboard.
- 2.3 The CIPFA Code of Practice on Treasury Management which this Council has adopted requires a regular budget monitoring report. This full report was reviewed by the Accounts Audit and Risk Committee on the 21 January 2015.

### 3.0 Report Details

#### Projected Revenue Outturn

3.1 At quarter three the Council is projecting an underspend of (£327,000) at the year end.

Directorate	Annual Budget	Projected Outturn	Projected Variance
Bicester Regeneration Projects	181	181	0
Community and Environment	9,346	9,587	241
Resources	2,870	2,747	(123)
Development	3,450	2,983	(467)
Chief Executive	192	214	22
Centrally Controlled Items	(1,648)	(1,648)	0
<b>Cost of Services</b>	<b>14,391</b>	<b>14,064</b>	<b>(327)</b>
Sources of Financing	(14,391)	(14,391)	0
<b>(Surplus) / Deficit</b>	<b>(0)</b>	<b>(327)</b>	<b>(327)</b>

3.2 Bicester Regeneration is projected to be on budget.

3.3 Community and Environment shows a projected overspend of £241,000.

Community and Environment	Annual Budget	Projected Outturn	Projected Variance
Community Services	3,514	3,638	124
Environmental Services	5,832	5,949	117
<b>Community &amp; Environment Total</b>	<b>9,346</b>	<b>9,587</b>	<b>241</b>

- **Community Services (projected £124,000 overspend)**  
The overspend is predominantly a result of reduced car parking income of £312,000. The projection takes into account the impact of the Sainsbury's car park in Bicester and falling demand generally which is also compounded by falling Excess Charge Notices and £73,000 refunds due to Meteor Parking Ltd from overcharging. These are mitigated in part by salary savings of (£121,000), and additional income from grants, contributions and fees and charges of (£140,000).
- **Environmental Services (projected £117,000 overspend)**  
Additional salary and agency costs in Waste and Recycling has resulted in a net projected overspend of £114,000. Income is forecast to be £156,000 below target mainly as a result of lower recycling tonnages and MOT licenses. These are partly offset by reduced fuel and vehicle repair costs across the service of (£95,000) mainly due to lower than budgeted cost per litre, and general savings of (£57,000) across the service.

3.4 Resources shows a projected underspend of (£123,000).

Resources	Annual Budget	Projected Outturn	Projected Variance
Transformation	697	611	(86)
ICT	(13)	(13)	(0)
Finance & Procurement	1,083	1,218	135
Law & Governance	1,103	931	(172)
<b>Resources Total</b>	<b>2,870</b>	<b>2,747</b>	<b>(123)</b>

- Transformation (projected £86,000 underspend)**  
 HR are forecasting an underspend due to additional income from the secondment of HR staff to SDC and unallocated training budgets (£48,000). The Communications team are forecasting a salary underspend (£17,000). They are also expecting to underspend (£21,000) on non pay.
- Finance & Procurement (projected £135,000 overspend)**  
 Finance is forecasting an overspend relating to Rent Allowances and an expected reduction in the level of Government subsidy.
- Law and Governance (projected £172,000 underspend)**  
 The underspend is related to recovery of legal fees and salary savings on two vacant posts (£60,000), an increase in income from personal search fees (£59,000) and an underspend on canvass fees and Member Services of (£46,000).

### 3.5 Development shows a projected underspend of (£467,000).

Development	Annual Budget	Projected Outturn	Projected Variance
Strategic Planning & the Economy	800	1,124	324
Public Protection & Development Man	1,571	661	(910)
Regeneration & Housing	1,078	1,197	119
<b>Development Total</b>	<b>3,450</b>	<b>2,983</b>	<b>(467)</b>

- Strategic Planning and the Economy (projected £324,000 overspend)**  
 This predominantly relates to the Local Plan which has cost significantly more than budget. This is the net projection after allowing for £300,000 use of the Planning Policy reserve.
- Development Management (projected £910,000 more income)**  
 Pre-Application Fee income is currently predicting a (£110,000) surplus and Planning Fee Income is currently projecting a (£800,000) surplus.
- Regeneration and Housing (projected £119,000 overspend)**  
 The main overspend (£82,000) relates to abortive costs from the Crown House scheme that have been transferred from Capital. A further £20,000 relates to revenue costs associated with capital projects (e.g. council tax).

There is concern over the current income prediction for Castle Quay and that the Council might not achieve the predicted level of income. The Q3 income still hasn't been received. The agents are currently being chased by the valuer.

Once a response is received this will be fed into the latest projections for Executive (2 March 2105).

**3.6 Chief Executive (projected £22,000 overspend)**

This relates to a staffing overspend on Executive Support due to agency cover.

**3.7 Centrally Controlled Items is projected to be on budget.**

**3.8 Sources of Financing**

Investment is currently slightly higher than budgeted and this trend is expected to continue, however any income above budget will be transferred to reserves.

Income from Business Rates Growth/Pooling and Section 31 grants is expected to be significantly higher than budgeted however the position will not become clear until later in the financial year. In any event income above budget will be transferred to reserves.

**3.9 Capital Projected Outturn Position at December (Period 9)**

Directorate	Annual Budget	Projected Outturn	Slippage	Variance
Bicester Regeneration Projects	4,837	434	4,403	0
Community & Environment	4,093	1,641	2,098	(354)
Resources	839	851	0	12
Development	20,456	19,903	480	(73)
<b>Total</b>	<b>30,225</b>	<b>22,829</b>	<b>6,981</b>	<b>(415)</b>

The net Capital projection as at December 2014 is within budget tolerances at - 1.4% variance. The slippage predominantly relates to Bicester Community Building and South West Bicester Sports Village.

The above budget of £30.2m includes £16.3m of profiled spend on the Build! programme. The total budget for this programme was increased by £9.5m to £22m by Council in May 2014 and is to be complete by March 2016.

**Treasury Management Performance Q3 2014-15**

3.10 Investment rates available in the market have been broadly stable during the quarter and have continued at historically low. The annualised average level of funds available for investment purposes up to December 2014 was £58.368m. These funds were available on a temporary basis, and the level of funds available was mainly dependent on the timing of precept payments, receipt of grants and progress on the Capital Programme and ECO Bicester.

3.11 It is worth noting that the revenue budget for 2014-15 has been prepared utilising £49,190 of investment income. However, total investment income received in year for 2014-15 is expected to be £320,000 (members took the decision in previous years to move away from reliance on investment income to help balance the budget). The balance above the £49,190 budget will be used to replenish reserves after transferring interest received in respect of Eco Town funds to the Eco Town reserve.



## Investment Income position as at 31 December 2014

Fund	Average funds invested up to 31 Dec 2014	Interest Budget at 31 Dec 2014	Actual Interest at 31 Dec 2014	Variance	Rate of return %
In House	£59,523,000*	£240,000	£275,767	£35,767	0.64**
<b>Total</b>	<b>£59,523,000</b>	<b>£240,000</b>	<b>£275,767</b>	<b>£35,767</b>	

\*Excludes Glitnir Bank outstanding investment

\*\* Rate of Return is shown on annualised basis

## 4.0 Conclusion and Reasons for Recommendations

4.1 It is recommended that:

- the contents of this report are noted.
- the variance on capital projections are within the Council's stated tolerances of 5%.

## 5.0 Consultation

Cllr Ken Atack – Lead member for Financial Management

Cllr Atack is content with the report and supportive of the recommendations contained within it.

## 6.0 Alternative Options and Reasons for Rejection

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

6.2 Option 1: This report illustrates the Council's performance against the 2014-15 Financial Targets for Revenue, Capital and Procurement Monitoring. As this is a monitoring report, no further options have been considered. However, members may wish to request that officers provide additional information.

## 7.0 Implications

### Financial and Resource Implications

7.1 These are contained in the body of the report. There are no direct costs or other direct financial implications arising from this report.

Comments checked by: Nicola Jackson, Corporate Finance Manager  
01295 221731 [Nicola.Jackson@cherwellandsouthnorthants.gov.uk](mailto:Nicola.Jackson@cherwellandsouthnorthants.gov.uk)

### Legal Implications

7.2 There are no legal implications. Presentation of this report is in line with the CIPFA Code of Practice.

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

### **Risk management**

- 7.3 The position to date highlights the relevance of maintaining a minimum level of reserves and budget contingency to absorb the financial impact of changes during the year. Any increase in risk will be escalated through the corporate risk register.  
Comments checked by: Louise Tustian, Acting Corporate Performance Manager  
01295 221786 [louise.tustian@cherwellandsouthnorthants.gov.uk](mailto:louise.tustian@cherwellandsouthnorthants.gov.uk)

### **Equality and Diversity**

- 7.4 Impact assessments were carried out in advance of setting the 2014-15 budget.  
Comments checked by: Caroline French, Corporate Policy Officer  
01295 221586 [caroline.french@cherwellandsouthnorthants.gov.uk](mailto:caroline.french@cherwellandsouthnorthants.gov.uk)

## **8.0 Decision Information**

### **Key Decision**

No

### **Wards Affected**

All

### **Links to Corporate Plan and Policy Framework**

All

### **Lead Councillor**

Councillor Ken Atack – Lead Member for Financial Management

### **Document Information**

<b>Appendix No</b>	<b>Title</b>
None	
<b>Background Papers</b>	
None	
<b>Report Author</b>	Paul Sutton, Head of Finance and Procurement Joanne Kaye, Strategic Finance Accountant
<b>Contact Information</b>	0300 0030106 01295 221545

# Agenda Item 8

<b>Date</b>	<b>DRAFT - Budget Planning Committee - Agenda items</b>
17 Feb	Discretionary Rate Relief Policy
	2014-15 Revenue and Capital Budget Monitoring - Quarter 3
	Capital bids update - CCTV RESTRICTED
	The Hill Youth and Community Centre - verbal update RESTRICTED
TBA	<i>Proposed date of 26 May 2015 is subject to confirmation by Full Council in February</i>
	Medium Term Revenue Plan
	Review of Reserves
	2014-15 Revenue and Capital Budget Monitoring Quarter 4 Provisional Outturn
	2014-15 Quarter 4 Procurement
	VFM Review
	NEW KEY PROJECTS OR RECOMMENDATIONS FROM OTHER COMMITTEES ADDED AS AND WHEN

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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