

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

Membership

Councillor Nicholas Mawer (Chairman)	Councillor Nigel Randall (Vice-Chairman)
Councillor Ken Atack	Councillor Colin Clarke
Councillor Ian Corkin	Councillor Carmen Griffiths
Councillor Russell Hurle	Councillor Mike Kerford-Byrnes
Councillor Barry Richards	Councillor Douglas Webb
Councillor Barry Wood	Councillor Sean Woodcock

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 3 November 2015.

5. Chairman's Announcements

To receive communications from the Chairman.

6. Review of Capital Slippage 2015/16 & Capital Bids 2016/17 (Pages 5 - 8)

Report of Head of Finance and Procurement

Purpose of report

To review the current expenditure and slippage for projects in 2015/16 and the capital bids for 2016/17.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report relating to 2015/16 expenditure and slippage
- 1.2 To recommend capital bids for approval by Executive Committee as part of the budget for 2016/17

7. Medium Term Financial Strategy (Pages 9 - 12)

Report of Head of Finance and Procurement.

Purpose of report

To provide members of the Budget Planning Committee with an update on the Council's Medium Term Revenue Plan.

Recommendations

The meeting is recommended:

- 1.1 To note the contents of this report

8. Review of Committee Work Plan (Pages 13 - 14)

To review the Committee Work Plan.

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@cherwell-dc.gov.uk or 01295 221591 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 Lesley Farrell, Democratic and Elections
lesley.farrell@cherwellandsouthnorthants.gov.uk, 01295 221591

Sue Smith
Chief Executive

Published on Monday 9 November 2015

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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 3 November 2015 at 6.30 pm

Present: Councillor Nicholas Mawer (Chairman)
Councillor Nigel Randall (Vice-Chairman)

Councillor Ken Atack
Councillor Ian Corkin
Councillor Carmen Griffiths
Councillor Russell Hurle
Councillor Mike Kerford-Byrnes
Councillor Barry Richards
Councillor Douglas Webb
Councillor Sean Woodcock

Apologies for absence: Councillor Colin Clarke
Councillor Barry Wood

Officers: Martin Henry, Director of Resources / Section 151 Officer
Paul Sutton, Head of Finance and Procurement
Geni Hotchkiss, Business Support Unit Manager
George Hill, Corporate Accountant
Richard Stirling, Corporate Procurement Manager
Natasha Clark, Team Leader, Democratic and Elections
Lesley Farrell, Assistant Democratic and Elections Officer

28 **Declarations of Interest**

There were no declarations of interest.

29 **Urgent Business**

There were no items of urgent business

30 **Minutes**

The minutes of the meeting of the Committee held on 6 October 2015 were confirmed as a correct record and signed by the Chairman.

31 **Chairman's Announcements**

There were no Chairman's announcements.

32 **Quarter 2 2015-16 - Revenue and Capital Budget Monitoring Report**

The Head of Finance and Procurement submitted a report which summarised the Council's Revenue and Capital position as at the end of the first half of the financial year 2015-16 and projections for the full 2015-16 period.

In response to Members' comments, the Head of Finance and Procurement confirmed the agency staff were used sparingly and only where essential. The majority of vacant posts covered by agency staff were short term and the cost was covered by departmental budgets. With the current review of all services that was underway, it was anticipated that the interim use of agency staff would continue but the service reviews would address the need for the use in the longer term.

In response to the Committee's request for further information on vacant commercial units, an analysis of reasons why Bicester commercial units were more successfully let than Banbury commercial units and the work of the Town Centre Co-ordinators. The director of resources agreed to circulate this information outside of the meeting as soon as it was available

In response to Members' questions regarding recycling revenue, the Head of Finance and Procurement explained that the current contract had 18 months to run and a new contract would be procured when it came to an end.

In considering the Capital Spend and Year End Projections, the Committee raised concerns about the amount of Capital Slippage and requested more information as to when the projects were originally budgeted for and why they were not going to be completed in 2015/16. Members requested that this information be brought to the next meeting and compared alongside new Capital Bids.

The Committee requested clarification as to when Audio Visual equipment replacement had been added to the Capital Bids programme, why temporary repairs were being made to car parks when car park refurbishments had been budgeted for and clarification of the Capital Slippage of the Microsoft Licensing Agreement.

The Director of Resources agreed to collate this information and circulate to the Committee as soon as possible.

Resolved

- (1) That the projected revenue and capital position as at September 2015 be noted.

33 **Review of Procurement Strategy Progress**

The Head of Finance and Procurement submitted a report which summarised the Council's Procurement Strategy progress for q2 of the financial year 2015-16.

In considering the report, some of the Committee members raised concerns about the savings achieved and questioned if the original budgets had been realistic. The Committee requested that future reports contain details of possible savings on current shared procurement opportunities.

The Director of Resources explained that procurement opportunities varied considerably so targets were not easy to assess or measure.

Resolved

- (1) That the progress made during Quarter 2 2015/16 in implementing the Council's Procurement Strategy by noted.

34 **2015-2016 Business Rates Quarterly Monitoring Report**

The Director of Resources submitted a report which provided an update on the business rates position as at the end of Quarter 2 of the 2015-2016 financial year.

In response to comments from the Committee, the Director of Resources advised that if a significant employer went out of business, Cherwell District Council would not go below the base line to be in the pool and were not exposed because of the number and size of businesses the district covered.

Resolved

- (1) That the contents of the report be noted.

35 **Medium Term Revenue Plan - Update**

The Head of Finance and Procurement presented a report which provided members of the Budget Planning Committee with an update on the Council's Medium Term Revenue Plan.

In response to questions from the Committee, the Director of Resources confirmed that details of the New Homes Bonus allocation would be circulated to the Committee outside of the meeting.

Resolved

- (1) That the contents of the report be noted.

Review of Committee Work Plan

The Committee considered the Work Plan for 2015/16.

The Head of Finance and Procurement explained that work was still underway on the Review of Reserves as it was a major piece of work and would therefore be submitted to the Committee's December meeting.

Resolved

- (1) That subject to the addition of Review of Reserves to December, the work plan be noted

The meeting ended at 8.35 pm

Chairman:

Date:

Cherwell District Council

Budget Planning Committee

17 November 2015

<p>Review of Capital Slippage 2015/16 & Capital Bids 2016/17</p>

Report of Head of Finance and Procurement

This report is public

****Appendix 1 and 2 to the report are marked 'to follow' and are currently being finalised to ensure members have all the information required.****

Purpose of report

To review the current expenditure and slippage for projects in 2015/16 and the capital bids for 2016/17.

1 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report relating to 2015/16 expenditure and slippage
- 1.2 To recommend capital bids for approval by Executive Committee as part of the budget for 2016/17

2 Introduction

- 2.1 This Committee has the responsibility for monitoring revenue and capital expenditure but does not have the responsibility for approving carry forwards and capital slippage. This is delegated by Full Council to the Accounts, Audit and Risk Committee.
- 2.2 In the light of the level of capital slippage for 2015/16 members of this Committee requested to review the detailed schemes and budgets that had slipped, at the same time as reviewing the proposed bids for 2016/17.

3 Capital Slippage 2015/16

- 3.1 The level of slippage by scheme is set out at Appendix 1 to follow). The table shows the Current Budget by scheme for 2015/16 with the slippage separated. The report also shows expenditure to date.

- 3.2 The table also shows the new capital bids for 2016/17 in the relevant section for comparison to current performance.

4 Capital Bids 2016/17

- 4.1 A list of capital bids is attached at Appendix 2 (to follow), together with the detailed bid appraisal forms.

5 Conclusion and Reasons for Recommendations

- 5.1 Members are requested to note the content of this report.

6 Consultation

There is a requirement to consult on the draft capital budget and this consultation will take place as part of the budget setting process.

7 Alternative Options and Reasons for Rejection

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

Option 1: To not note the report but members will not be aware of the capital slippage position if they choose to take this option.

8 Implications

Financial and Resource Implications

- 8.1 There are no direct financial implications from this report.

Comments checked by:

Martin Henry, Director of Resources,

martin.henry@cherwellandsouthnorthants.gov.uk

Legal Implications

- 8.2 There are no direct legal implications from this report.

Comments checked by:

Kevin Lane, Head of Law and Governance

kevin.lane@cherwellandsouthnorthants.gov.uk

Risk Management

- 8.3 The project risks are identified in section 12 of each appraisal form, and any implications of not undertaking the project are shown in section 10.

Comments checked by: Jo Pitman, Head of Transformation
Jo.pitman@cherwellandsouthnorthants.gov.uk

Equality and Diversity

8.4 Impact assessments will be carried out for each project as required.

Comments checked by: Jo Pitman, Head of Transformation
Jo.pitman@cherwellandsouthnorthants.gov.uk

9 Decision Information

Key Decision

Financial Threshold Met: Not applicable

Community Impact Threshold Met: Not applicable

Wards Affected All

Links to Corporate Plan and Policy Framework

This links to the Council's priority of Sound Budgets and a Customer Focussed Council. Links for individual projects are included in section 9 of each appraisal form.

Lead Councillor

Councillor Ken Atack, Lead Member for Financial Management.

Document Information

Appendix No	Title
Appendix 1	Capital Projects 2015/16 – Spend to Date and Slippage (to follow)
Appendix 2	Capital Bids for 2016/17 (to follow)
Background Papers	
None	
Report Author	Paul Sutton Head of Finance and Procurement
Contact Information	Paul Sutton: 0300 003 0106 paul.sutton@cherwellandsouthnorthants.gov.uk

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Cherwell District Council

Budget Planning Committee

17 November 2015

Medium Term Revenue Plan - Update
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Report of Head of Finance and Procurement

This report is public

Purpose of report

To provide members of the Budget Planning Committee with an update on the Council's Medium Term Revenue Plan

1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report.

2.0 Introduction

- 2.1 This Committee has the responsibility of recommending a budget for consideration to Executive and will receive detailed reports throughout the budget process of issues, financial pressures and efficiencies that will have an impact on the setting of the budget.
- 2.2 The purpose of this report is to update the latest medium term revenue plan. Changes from the base position have been updated from the version that was presented to the Committee on 3rd November, 2015. The implications for 2016/17 and future years are shown below.

3.0 Medium Term Revenue Plan

- 3.1 The current medium term forecast show the following deficits from 2016-17 onwards.

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
	£000	£000	£000	£000	£000	£000
EXPENDITURE						
Approved base budget	15,233	15,233	15,497	16,145	17,048	17,709
Previous year's budget reductions	0	0	0	0	0	0
Unavoidable pressures						
Contract Inflation		64	66	68	70	72
Demand led increases		56	56	56	56	56
Pay inflation		125	250	255	260	265
Pay increments		175	175	175	175	175
NI increase		200	0	0	0	0
Superannuation		69	100	100	100	100
Total budget pressures	0	689	647	654	661	668
Base Budget Review						
Planning fees income		(750)	0	0	0	0
Recycling income		125	0	250	0	0
Professional fees		100	0	0	0	0
<i>Capital Bids - net revenue cost</i>		<i>100</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>
Total of BBR to date	0	(425)	0	250	0	0
TOTAL NET EXPENDITURE	15,233	15,497	16,145	17,048	17,709	18,377
FUNDING						
Business Rates Baseline	(3,466)	(3,587)	(3,684)	(3,783)	(3,783)	(3,886)
Revenue Support Grant	(2,629)	(986)	0	0	0	0
Formula grant equivalent	(6,095)	(4,573)	(3,684)	(3,783)	(3,783)	(3,886)
Transfer to Parish Councils	349	349	349	349	349	349
Transfer Homelessness Grant	101	101	101	101	101	101
<i>Business Rates:</i>						
- Growth above baseline	(600)	(1,020)	(1,020)	(1,020)	(1,020)	(1,020)
- Pooling	(450)	(900)	(900)	(900)	(900)	(900)
- S.31	(1,135)	(860)	(860)	(860)	(860)	(860)
Council Tax Compensation Grant	(63)	0	0	0	0	0
Collection Fund	(233)	(100)	(100)	(100)	(100)	(100)
New Homes Bonus	(1,272)	(1,820)	(1,900)	(2,100)	(2,170)	(1,840)
	(9,398)	(8,823)	(8,014)	(8,313)	(8,383)	(8,156)
Council Tax income	(5,959)	(6,078)	(6,200)	(6,324)	(6,324)	(6,450)
Contribution to Reserves	124					
TOTAL INCOME	(15,233)	(14,901)	(14,214)	(14,637)	(14,707)	(14,606)
FUNDING GAP	0	596	1,931	2,411	3,002	3,772
Note: Deficits reported to Committee in September 2015	0	1,767	3,083	3,329	3,991	4,431

3.2 The above position shows an improvement on the original reported position in September 2015. The amended figures are highlighted and in italics. The key figure is the deficit for 2016/17, which has reduced from £1.767m to £0.6m. A commentary has been included for each of the matters highlighted:

Capital bids

The net revenue cost of capital bids has been included. This is the cost of capital less any revenue savings generated by the project.

Business rates

There has been a full review of business rates for the budget. This has used the most up-to-date figures on rateable values, and applied the factors related to the pooling arrangements to forecast the budget for 2016/17 and future years.

4.0 Conclusion and Reasons for Recommendations

4.1 Members are requested to note the content of this report.

5.0 Consultation

There is a requirement to consult on the draft budget and this consultation will take place as part of the budget setting process.

6.0 Alternative Options and Reasons for Rejection

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

Option 1: To not note the report but members will not be aware of the medium term financial forecast if they choose to take this option.

7.0 Implications

Financial and Resource Implications

7.1 There are no direct financial implications stemming from this report as it is just setting out the scale of the medium term financial deficit that needs to be addressed through the budget process setting process.

Comments checked by:

George Hill, Corporate Finance Manager

george.hill@cherwellandsouthnorthants.gov.uk

Legal Implications

7.2 The Council has to set a balanced budget each year and this report provides the updated position to enable the Council to meet this requirement.

Comments checked by:

Kevin Lane, Head of Law and Governance

kevin.lane@cherwellandsouthnorthants.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: Jo Pitman, Head of Transformation

Jo.pitman@cherwellandsouthnorthants.gov.uk

Equality and Diversity

7.4 Impact assessments were carried out in advance of setting the 2015-16 budget.

Comments checked by: Jo Pitman, Head of Transformation
Jo.pitman@cherwellandsouthnorthants.gov.uk

8.0 Decision Information

Key Decision

Financial Threshold Met: Not applicable

Community Impact Threshold Met: Not applicable

Wards Affected All

Links to Corporate Plan and Policy Framework

This links to the Council's priority of Sound Budgets and a Customer Focussed Council.

Lead Councillor

Councillor Ken Atack, Lead Member for Financial Management.

Document Information

Appendix No	Title
None	
Background Papers	
None	
Report Author	Paul Sutton (Head of Finance and Procurement)
Contact Information	0300 003 0106 paul.sutton@cherwellandsouthnorthants.gov.uk

Date	Agenda Items
17 November	Capital Bids 2016/17 Medium Term Financial Strategy
1 December	Discounts and Exemptions Review Taxbase 2016/17 LG Settlement 2016/17 Revenue and Capital Budget 2016/17 (Incl. MTFS) CTRS 2016/17 Review of Reserves Review of Fees and Charges
19 January	Revenue and Capital Budget 2016/17 (Incl. MTFS)
1 March	Q3 Budget Monitoring Q3 Procurement Monitoring Q3 Business Rates Monitoring Q3 Write Offs

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