

Public Document Pack



Committee: Budget Planning Committee
Date: Tuesday 19 January 2016
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 1 December 2015.

5. Chairman's Announcements

To receive communications from the Chairman.

6. Cherwell / Solihull Partnership member presentation

A presentation of the Cherwell/Solihull Partnership.

7. Review of Reserves (Pages 5 - 16)

Report of Director of Resources.

Purpose of Report

The purpose of this report is for the Committee to consider the earmarked reserves held by the Council.

Recommendations

The meeting is recommended:

- 1.0 To consider the information set out in Appendices A-C in relation to earmarked reserves.

8. Medium Term Revenue Plan and draft 2016-17 Revenue and Capital Budgets (Pages 17 - 20)

Report of the Head of Finance and Procurement.

Purpose of Report

To set out the Medium Term Revenue Plan including the Revenue and Capital budget proposals for the Committee to consider and recommend to Executive.

Recommendations

The meeting is recommended:

- 1.0 To consider the updated Medium Term Revenue Plan (MTRP), Appendix 1.
- 1.1 To consider the 2016/17 draft revenue budget set out at Appendix 2 before it is recommended to Executive and then Full Council in February.
- 1.2 To consider the 2016/17 capital programme set out at Appendix 3 before it is recommended to Executive and then Full Council in February.
- 1.3 To consider and recommend to Executive the level of Council Tax increase for 2016/17 before this is formally approved by Full Council in February.

9. Exclusion of Press and Public

The following report contains 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. Exempt Appendices of BPC Revenue and Capital Budget 16-17 Report (Pages 21 - 28)

Exempt appendices of report of Report of the Head of Finance and procurement.

11. Re-admittance of Press and Public

The Committee to resolve to re-admit the Press and Public.

12. Review of Committee Work Plan (Pages 29 - 30)

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 11 January 2016

Cherwell District Council

Budget Planning Committee

Minutes of a meeting of the Budget Planning Committee held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 1 December 2015 at 6.30 pm

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

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

Apologies for absence: Councillor Carmen Griffiths
Councillor Barry Wood

Officers: Paul Sutton, Head of Finance and Procurement
George Hill, Corporate Finance Manager
Lesley Farrell, Democratic and Elections Officer

44 **Declarations of Interest**

There were no declarations of interest.

45 **Urgent Business**

There were no items of urgent business.

46 **Minutes**

The minutes of the meeting of the Committee held on 17 November 2015 were confirmed as a correct record and signed by the Chairman.

47 **Chairman's Announcements**

The Chairman advised committee members that at the request of the Lead Member for Financial Management, the Director of Resources has sent a spread-sheet by email, listing all of the revenue earmarked reserves of the Council accounts for 2014-2015. Reserves were currently being reviewed and would be reported to the Committee's January meeting.

48 **Medium Term Revenue Plan - Update**

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

The Head of Finance and Procurement gave a presentation which provided an overview of the Chancellors Autumn Statement. The impact of the Autumn Statement was not yet clear but as much information as possible including that from outside sources had been used to plan the council's 2016/17 budget.

Resolved

- (1) That the report be noted.

49 **Fees Charges Report**

The Head of Finance and Procurement submitted a report which provided members of the Budget Planning Committee with an update on the Council's proposed fees and charges for 2016/17. All Lead Members would receive a copy of the report and had been made aware of the proposed increases.

In considering the report, the Committee raised concerns that although the increase amounts were reasonably small some percentages were high. Frequent reviews and a gradual increase in fees and charges would be preferable.

In response to Members' comments, the Head of Finance and Procurement explained that benchmarking had been done earlier in the year and agreed to seek confirmation from Heads of Service about how the proposed charges were reached.

At the request of Members, the Head of Finance and Procurement agreed to provide a comparison of the council's Building Control charges with those of the private sector and investigate the possibility of performing Commercial vehicle MOT's at the Councils' Vehicle Testing Station. It was also requested that MOT information be included within the Fees and Charges report.

The Head of Finance and Procurement agreed that more statistical information, including subsidies, would be included as it was thought that additional context would enhance the reports.

It was noted that a further report showing the final position would be included with the final budget proposals.

Resolved

- (1) That the report be noted.

50 **Review of Committee Work Plan**

The Committee considered its work plan 2015/16.

Members noted that a Review of Reserves was scheduled for their January 2016 meeting and agreed that in addition to this scheduled review of reserves, an in-depth, line by line review should take place in the 2016 municipal year.

With regards to the comments raised at the previous meeting regarding virement procedures, the Committee was advised that virement procedures were included in the financial procedure rules which formed part of the council's constitution. The Head of Finance and Procurement agreed to investigate other authorities for comparison and report back to the Committee.

Resolved

- (1) That the work plan be noted.

The meeting ended at 7.50 pm

Chairman:

Date:

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Cherwell District Council

Budget Planning Committee

19 January 2016

Review of Reserves

Report of Director of Resources

This report is public

Purpose of report

The purpose of this report is for the Committee to consider the earmarked reserves held by the Council.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider the information set out in Appendices A-C in relation to earmarked reserves.

2.0 Introduction

- 2.1 The Budget Planning Committee has an item on its work programme to consider a review of reserves.
- 2.2 Detailed information was circulated to Committee members prior to Christmas and this report contains initial findings and recommendations in relation to the reserves held by the Council.

3.0 Background

- 3.1 The draft review of reserves has been completed.

The process so far has included:

- Discussions between finance staff and budget holders
- Initial discussions with Cllr Wood, Cllr Attack and Cllr Randall to make them aware of the reserves and take them through the approach
- Individual discussions between the Director of Resources or Head of Finance and Procurement and the relevant head of service.
- Consideration by the Joint Management Team
- Consideration of initial findings by Cllr Wood, Cllr Attack and Cllr Randall.

- 3.2 There were in excess of 100 individual earmarked reserves set up for an array of reasons and ranging in value from £547.00 to £3.4m.
- 3.3 Following discussion with the relevant Head of Service each reserve has been scrutinised and either remains at the same level, has been wholly or partially transferred to another earmarked reserve or has been wholly or partially put into general fund balances.
- 3.4 There were a number of reserves which were duplications and these have been amalgamated.
- 3.5 All estimated balances of less than £20,000 have been 'swept up' and will be held in one central pot which is available for call down when required. This earmarked reserve will be controlled by the Head of Finance and Procurement.
- 3.6 It is recommended that in future earmarked reserves are not set up for less than £20,000 as it is felt that pressures lower than this amount could be dealt with using in-year budgets. If funding is required and there is no surplus in-year funding available then it will have to come from general fund balances which is the beneficiary of this approach. However, that would need an executive decision to release.
- 3.7 Appendix A – Shows the detailed transfers that have taken place
Appendix B – Shows the reserves left after the review with the estimated balances included
Appendix C – Shows the same information but orders it in magnitude – highest earmarked reserves first.
- 3.8 The balances can only be estimated balances as there will be transfers to and from some of the reserves before the end of the year.
- 3.9 Some descriptions of reserves will be changed to make them more recognisable or understandable.
- 3.10 The review of reserves has achieved the following:
- Transferred £2.462m back into General Fund Balances making General Fund Balances £4.188m or 27.5% of the 2015-16 net revenue budget.
 - Number of reserves now stands at 45 and the values (excluding S106 reserves which are still held separately) range from £20,497 to £3.4m (excluding General Fund balances)
 - Amalgamated duplicate reserves
 - Gathered up all reserves below £20,000 into one centrally held reserve which will be monitored annually and reduced if calls are not made on the remaining funds.
- 3.11 The level of reserves held by the Council is healthy with:
£4.2m being held in General Fund balances
£13.1m being held in earmarked reserves
Total earmarked reserves held are therefore £17.3m

4.0 Conclusion and Reasons for Recommendations

- 4.1 The Committee is requested to consider the draft review of reserves as set out in Appendices A-C.

5.0 Consultation

- 5.1 The findings of this review have been discussed and supported by the Joint Management Team.
- 5.2 The findings of this review have been discussed with Cllr Wood, Cllr Atack and Cllr Randall.

6.0 Alternative Options and Reasons for Rejection

- 6.1 Members could decide not to consider the Review of Reserves report but it is good financial management to review earmarked reserves from time to time.

7.0 Implications

Financial and Resource Implications

- 7.1 There are no direct financial implications stemming from this report.

Comments checked by:

Paul Sutton, Head of Finance and Procurement 03000 030 106
Paul.sutton@cherwellandsouthnorthants.gov.uk

Legal Implications

- 8.2 There are no legal implications arising directly from this report. The legal implications of any method of funding can be assessed when the final proposals are made.

Comments checked by:

Kevin Lane, Head of Law and Governance, 0300 0030107
kevin.lane@cherwellandsouthnorthants.gov.uk

Wards Affected

None affected directly

Links to Corporate Plan and Policy Framework

Corporate priorities of preserving what's special and protecting our quality of life.

Lead Councillor

Councillor Ken Atack – Lead member for Financial Management

Document Information

Appendix No	Title
1	Transfers and adjustments from reserves
2	Revised reserves
3	Revised reserves – in order of magnitude
Background Papers	
None	
Report Author	Martin Henry, Director of Resources
Contact Information	03000 030106 Paul.sutton@cherwellandsouthnorthants.gov.uk

Description	Estimated Balance 31 Mar 16 £000's	Transfer	Estimated Balance 31 March 2016 Post Review
New Homes Bonus - Economic Development	2,103,016	-603,016	1,500,000
New Homes Bonus - Affordable Housing	414,324		414,324
Hanwell Fields Open Space - S106	79,123		79,123
CSGM Dovecote Milcombe - S106	56,362		56,362
Broad field Road, Yarrton - S106	3,428		3,428
Bicester Fields Main Park - S106	97,258		97,258
LABURNHAM CRES AMBROSDEN POS	37,719		37,719
Building Control	100,277		100,277
Licencing Surplus	37,611	-37,611	0
Hackney Carriage Licencing Surplus	5,331	-5,331	0
Graven Hill - Equalisation Reserve	3,396,374		3,396,374
Environmental Warranties	2,240,064	-1,240,064	1,000,000
Planning Income Volatility Control	919,047	-169,047	750,000
Significant Business Rates Volatility Reserve	484,361	731,000	1,215,361
Eco Town Revenue	503,623		503,623
Section 31 Business Rates Grant	731,000	-731,000	0
Corporate Change Reserve	621,220		621,220
Local Plan Charges	198,000	362,054	560,054
Planning delivery Grant	322,010		322,010
Transport Engineer Consultancy	280,000	-280,000	0
Welfare Reform Reserve	280,225	-180,225	100,000
New Burdens Grant	248,424		248,424
Housing Reserve	220,000		220,000
Capacity Funding	76,676		76,676
Car Park Studies	159,000	70,000	229,000
Self Insurance	160,402		160,402
Corporate IT Contingency	73,297		73,297
Licensing	115,205	-40,205	75,000
Wheeled Bin replacement	96,229		96,229
Elections Reserve	108,452		108,452
Country Park Reserve	100,000		100,000
Brighter Futures	95,312		95,312
Flood Recovery	93,737	-53,737	40,000
Special initiative Area Based Grant	83,011		83,011
Planning Policy Statement	82,054	-82,054	0
Heat network	5,946	-5,946	0
Valuation Consultancy	70,000	-70,000	0
Homelessness Prevention	44,879		44,879
Green Deal Pioneer Places	69,202		69,202
Bicester Youth Bus	64,590		64,590
Safer Stronger Community Funding	64,331		64,331
Thames valley Police	60,700		60,700
Sainsbury's Primary Authority	55,328		55,328
Transformation Programme	15,000	-15,000	0
Primary Care Trust Contributions for Health Bus	39,500		39,500
Individual Electoral Registration	45,394		45,394
Courtyard Youth Arts	38,580		38,580
Sportivate Grant	33,480		33,480
Joint External Bid-writer	30,000		30,000
Debt Collection Improvements	25,000	-25,000	0
Local Authority Business Growth Incentive	24,718	-24,718	0
Credit Union Development Officer	22,500		22,500
Active Women Grant	22,315		22,315
Jubilee / Olympics Reserve	20,801	-20,801	0
Performance Reward Grant	20,497		20,497
Trust Set-up Reserve	20,000	-20,000	0
Icelandic legal fees	15,000	-15,000	0
Audit Fees	14,500	-14,500	0
Shared Payment Management System	10,083	-10,083	0
Bank Charges	10,000	-10,000	0
Member Training Reserve	8,747	-8,747	0
Gypsy & Travellers Accommodation Review	8,475	-8,475	0
Member Training Reserve	8,125	-8,125	0
War Memorial Maintenance Reserve	6,740	-6,740	0
Petitions Grant	6,574	-6,574	0
Corporate Training	6,000	-6,000	0
Go Active	5,383	-5,383	0
Civic Insignia	1,000	-1,000	0
Minor Works	5,000	-5,000	0
Local Area Agreement Grants	4,278	-4,278	0
Community Games	1,454	-1,454	0
Less than £20,000 project reserve fund		90,147	90,147
GENERAL FUND BALANCES	1,726,000	2,461,912.0	4,187,912
			0
	17,252,292	0	17,252,292

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Estimated Balance 31 March 2016 Post		
Description	Review	Date Established
New Homes Bonus - Economic Development	1,500,000	31/03/2012
New Homes Bonus - Affordable Housing	414,324	31/03/2012
Hanwell Fields Open Space - S106	79,123	Prior to 31/03/2007
CSGM Dovecote Milcombe - S106	56,362	Prior to 31/03/2007
Broad field Road, Yarnton - S106	3,428	Prior to 31/03/2007
Bicester Fields Main Park - S106	97,258	Prior to 31/03/2007
LABURNHAM CRES AMBROSDEN POS	37,719	31/03/2008
Building Control	100,277	Prior to 31/03/2007
Graven Hill - Equalisation Reserve	3,396,374	31/03/2014
Environmental Warranties	1,000,000	Prior to 31/03/2007
Planning Income Volatility Control	750,000	Prior to 31/03/2007
Significant Business Rates Volatility Reserve	1,215,361	31/03/2014
Eco Town Revenue	503,623	31/03/2010
Corporate Change Reserve	621,220	Prior to 31/03/2007
Local Plan Charges	560,054	Prior to 31/03/2007
Planning delivery Grant	322,010	31/03/2009
Welfare Reform Reserve	100,000	31/03/2013
New Burdens Grant	248,424	31/03/2011
Housing Reserve	220,000	31/03/2015
Capacity Funding	76,676	31/03/2015
Car Park Studies	229,000	31/03/2015
Self Insurance	160,402	Prior to 31/03/2007
Corporate IT Contingency	73,297	Prior to 31/03/2007
Licensing	75,000	31/03/2010
Wheeled Bin replacement	96,229	Prior to 31/03/2007
Elections Reserve	108,452	31/03/2012
Country Park Reserve	100,000	31/03/2014
Brighter Futures	95,312	31/03/2014
Flood Recovery	40,000	31/03/2009
Special initiative	83,011	31/03/2010
Homelessness Prevention	44,879	31/03/2010
Green Deal Pioneer Places	69,202	31/03/2013
Bicester Youth Bus	64,590	31/03/2011
Safer Stronger Community Funding	64,331	31/03/2011
Thames Valley Police	60,700	31/03/2012
Sainsbury's Primary Authority	55,328	31/03/2015
Primary Care Trust Contributions for Health Bus	39,500	Prior to 31/03/2007
Individual Electoral Registration Grant	45,394	31/03/2013
Courtyard Youth Arts	38,580	31/03/2013
Sportivate Grant	33,480	31/03/2013
Joint External Bid-writer	30,000	31/03/2015
Credit Union Development Officer	22,500	31/03/2013
Active Women Grant	22,315	31/03/2013
Performance Reward Grant	20,497	31/03/2011
Less than £20,000 project reserve fund	90,147	Various dates
GENERAL FUND BALANCES	4,187,912	-
Total Revenue Reserves	17,252,292	

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Description	Estimated Balance 31 March 2016 Post Review	Owner	Comments	Spending Profile
GENERAL FUND BALANCES	4,187,912	Paul Sutton	This reserve is held to cushion the impact of unexpected events or emergencies, uneven cash flows and to avoid unnecessary temporary borrowing.	-
Graven Hill - Equalisation Reserve	3,396,374	Paul Sutton	This is a reserve that provides funding to deal with the costs of borrowing associated with the Graven Hill Project.	Draw down over 5 year period
New Homes Bonus - Economic Development	1,500,000	Adrian Colwell	This is a reserve set aside by the Council from New Homes Bonus to fund economic development such as superfast broadband	Draw down over the next 3 years
Significant Business Rates Volatility Reserve	1,215,361	Mandy Anderson	The reserve has been generated to cover any shortfall in Business rates income caused by business closures, demolition, or appeals against the premises valuations.	Draw down over 5 year period
Environmental Warranties	1,000,000	Kevin Lane	Following the transfer of the housing stock to Sanctuary, this reserve was created to cover any potential council liability	Draw down over 5 year period
Planning Income Volatility Control	750,000	Andy Preston	A reserve to cover any planning income reduction	Draw down in 2016/17
Corporate Change Reserve	621,220	Paul Sutton	This reserve is to facilitate corporate improvements	Draw down over 5 year period
Local Plan Charges	560,054	Adrian Colwell	Provision for the production of the local plan	Draw down over 5 year period
Eco Town Revenue	503,623	Karen Curtin	To fund Eco Town projects as monitored by Place Programme and Project Board	Draw down in 2016/17
New Homes Bonus - Affordable Housing	414,324	Chris Stratford	This is a reserve set aside by the Council from New Homes Bonus to fund affordable housing projects	Draw down over the next 2 years
Planning delivery Grant	322,010	Calvin Bell	Grant from the government for planning delivery	Draw down over the next 3 years
New Burdens Grant	248,424	Ian Davies	Grant received to cover government initiatives which place new duties on local authorities	Draw down in 2016/17
Car Park Studies	229,000	Calvin Bell	A reserve to fund the Cherwell DC car park strategy studies	Draw down in 2016/17
Housing Reserve	220,000	Marianne North	This sum was allocated for homelessness prevention and is to be used to support the development of a Single Person's Housing Strategy including the development and management of single person's housing units in Cherwell.	Draw down over the next 2 years
Self Insurance	160,402	Stephen Welsted	This reserve is to cover self insurance of small items that are otherwise not insured.	Draw down over the next 3 years
Elections Reserve	108,452	James Doble	This reserve has been set up to cover the costs of any elections (statutory cycle or ad hoc by-elections)	Draw down as required with a major cost in 2016/17
Building Control	100,277	Andy Kidd	Under the current legislation this reserve can ONLY be used for Building Control and cannot be used to supplement other areas of the council. This reserve is to fund staff as the work of this area moves towards an arms length company	Draw down over the next 3 years

Description	Estimated Balance 31 March 2016 Post Review	Owner	Comments	Spending Profile
Welfare Reform Reserve	100,000	Ryszard Filipiak	A reserve to fund for any costs relating Welfare Reforms commencing in April 2016	Draw down in 2016/17
Country Park Reserve	100,000	Kevin Larner	Reserve set up to fund any major improvement works at the Country Parks	Draw down over the next 2 years
Bicester Fields Main Park - S106	97,258	Andy Preston / Lewis Bankes-Hughes	S106 monies - Maintenance Funds to be used on an ongoing basis	Draw down in 2016/17
Wheeled Bin replacement	96,229	Ed Potter	Reserve to be used over the next few years to fund new wheeled refuse bins as new housing / commercial developments are built.	Draw down over the next 3 years
Brighter Futures	95,312	Ian Davies	Projects for early years, employment support and skills, family support & young people, financial inclusion & housing, health & well-being, safer & stronger communities.	Draw down over the next 3 years
Less than £20,000 project reserve fund	90,147	Paul Sutton	A fund to cover existing projects that are individually valued at less than £20,000	Draw down in 2016/17
Special initiative Area Based Grant	83,011	Jo Pitman	This reserve is the Community funding received for Community Cohesion Grant. This supports the work of the Community Consultation and Engagement Officer.	Draw down over 5 year period
Hanwell Fields Open Space - S106	79,123	Andy Preston / Lewis Bankes-Hughes	S106 monies - Maintenance Funds to be used on an ongoing basis	Draw down in 2016/17
Capacity Funding	76,676	Karen Curtin	To fund Bicester Regeneration projects administration	Draw down in 2016/17
Licensing	75,000	Nicolas Sutcliffe	Reserve to be used to balance licence fee income to ensure that we operate on a cost recovery basis .	Draw down over the next 2 years
Corporate IT Contingency	73,297	Jo Pitman	Reserve to fund future corporate IT developments	Draw down over the next 2 years
Green Deal Pioneer Places REV	69,202	Karen Curtin	Grant received to fund environmental projects (green deal assesments and retro fits etc)	Draw down in 2016/17
Bicester Youth Bus	64,590	Mike Grant / Jackie Fitzsimons	Grants provided by the Police and Crime Commissioners to fund Community Safety Projects	Draw down over the next 6 years to enable projects to continue when funding may be withdrawn
Safer Stronger Community Funding	64,331	Mike Grant / Jackie Fitzsimons	Grants provided by the Police and Crime Commissioners to fund Community Safety Projects	Draw down over the next 6 years to enable projects to continue when funding may be withdrawn
Thames Valley Police	60,700	Mike Grant / Jackie Fitzsimons	Grants provided by the Police and Crime Commissioners to fund Community Safety Projects	Draw down over the next 6 years to enable projects to continue when funding may be withdrawn
CSGM Dovecote Milcombe - S106	56,362	Andy Preston / Lewis Bankes-Hughes	S106 monies - Maintenance Funds to be used on an ongoing basis	Draw down in 2016/17
Sainsbury's Primary Authority	55,328	Jackie Fitzsimons	To fund commercial activities as per Public Protection business case	Draw down over the next 3 years

Description	Estimated Balance 31 March 2016 Post Review	Owner	Comments	Spending Profile
Individual Electoral Registration Grant	45,394	James Doble	Grant to fund the cost of implementing Individual Electoral Registration	Draw down in 2016/17
Homelessness Prevention	44,879	Marianne North	Grant to be used prevent homelessness and is used in conjunction with a) Service Level Agreements with partnerships and b) Cherwell's Homeless Action Plan	Draw down in 2016/17
Flood Recovery	40,000	Jackie Fitzsimons	This reserve will be used as required if flooding occurs.	Draw down in 2016/17
Primary Care Trust Contributions for Health Bus	39,500	Mike Grant	Grants received to fund the Health Bus.	Draw down in 2016/17
Courtyard Youth Arts	38,580	Nicola Riley	To fund projects at the Courtyard	Draw down in 2016/17
LABURNHAM CRES AMBROSDEN POS	37,719	Andy Preston / Lewis Bankes-Hughes	S106 monies - Maintenance Funds to be used on an ongoing basis	Draw down in 2016/17
Sportivate Grant	33,480	Phil Rolls	Grants received to fund "Sportivate" activities	Draw down in 2016/17
Joint External Bid-writer	30,000	Geni Hotchkiss	A reserve set up to fund an external bid writer who should work closely with the Business Support Unit.	Draw down in 2016/17
Credit Union Development Officer	22,500	Glenda Evans	A reserve for setting up a credit union	Draw down in 2016/17
Active Women Grant	22,315	Phil Rolls	This is a balance of a grant to promote "Active Women"	Draw down in 2016/17
Performance Reward Grant	20,497	Mike Grant / Jackie Fitzsimons	Grants provided by the Police and Crime Commissioners to fund Community Safety Projects	Draw down over the next 6 years to enable projects to continue when funding may be withdrawn
Broad field Road, Yarnton - S106	3,428	Andy Preston / Lewis Bankes-Hughes	S106 monies - Maintenance Funds to be used on an ongoing basis	Draw down in 2016/17
Revenue Reserves - Grand Total	17,252,292			

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Cherwell District Council

Budget Planning Committee

19 January 2016

<p>Medium Term Revenue Plan and draft 2016-17 Revenue and Capital Budgets</p>
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Report of the Head of Finance and Procurement

This report is public
Appendices 1, 2 and 3 to this report are exempt from publication by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972

Purpose of report

To set out the Medium Term Revenue Plan including the Revenue and Capital budget proposals for the Committee to consider and recommend to Executive.

1.0 Recommendations

The meeting is recommended:

- 1.1 To consider the updated Medium Term Revenue Plan (MTRP), Appendix 1
- 1.2 To consider the 2016/17 draft revenue budget set out at Appendix 2 before it is recommended to Executive and then Full Council in February.
- 1.3 To consider the 2016/17 capital programme set out at Appendix 3 before it is recommended to Executive and then Full Council in February.
- 1.4 To consider and recommend to Executive the level of Council tax increase for 2016/17 before this is formally approved by Full Council in February.

2.0 Introduction

- 2.1 This report sets out the latest position on the 2016/17 revenue and capital budgets for Cherwell District Council based on the information currently available. The budgets will be considered by Executive at its meeting of the 1 February and by Full Council at its meeting of the 22 February.
- 2.2 The report sets out the current position for the budget following the provisional local government finance settlement and previous reports to this Committee. Whilst the final settlement is not expected until the end of January, it is not anticipated that there will be a significant change to the funding previously announced.

3.0 Report Details

- 3.1 The 2016/17 budget is being developed within the context of an austerity programme and the government's focus on deficit reduction. This is a continuation of recent government policy with reductions in government grant support for local authorities. There will be a presentation to the Committee updating the Council's MTRP in light of the provisional settlement (**Exempt**).
- 3.2 Throughout the autumn, officers have been preparing the budget in line with the guidelines approved by this Committee in October 2015. Taking account of the guidance and the impact of the settlement, the draft revenue budget 2016/17 is set out in **Appendix 1 (Exempt)**.
- 3.3 The draft budget assumes no increase in Council Tax for 2016/17. The settlement indicated that the referendum threshold would remain at a 2% Council Tax increase. Council Tax compensation grant will be paid at 1% if Council Tax is frozen for 2016/17. If agreed, this will be the 7th year that Cherwell District Council has proposed a Council Tax freeze.
- 3.4 Following on from the settlement and the calculation of the budget for 2016/17, work is ongoing to refresh the MTRP and to establish the position for 2017/18 and beyond. This will look at the current assumptions, the impact of the settlement, the move towards full business rates retention, removal of the Revenue Support Grant and changes to New Homes Bonus. The MTRP is set out at **Appendix 2 (Exempt)** and will be refreshed and the five year forecasts will be presented to this Committee.
- 3.5 The Committee considered capital bids put forward by officers at its meeting on 17 November 2015. An additional bid has been added for the Hill Youth and Community Centre after the receipts of tenders and in light of a funding bid made to Sport England.
- 3.6 The draft capital programme, which includes and highlights, all of the new bids is attached at **Appendix 3 (Exempt)** for Budget Planning Committee to endorse before going to Executive for formal consideration.

4.0 Conclusion and Reasons for Recommendations

- 4.1 The above position outlines a balanced budget for the Council for 2016/17. There is some additional work to be completed on the budget particularly as further detail becomes known but it is not expected that the overall position will change dramatically. The Committee is asked at this stage to consider the report as it presents the budget at this stage.

5.0 Consultation

Councillor Atack, Lead member with responsibility for Financial Management has been consulted

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.

The setting of the budget is a requirement and will need to be approved by Council at its meeting in February.

7.0 Implications

Financial and Resource Implications

- 7.1 These are contained within the report.

Comments checked by: George Hill, Corporate Finance Manager
01295 221731 george.hill@cherwellandsouthnorthants.gov.uk

Legal Implications

- 7.2 There are none arising from this report.

Comments checked by:
Kevin Lane, Head of Law and Governance, 0300 0030107
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 will be carried out in advance of setting the 2016/17 budget.

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

8.0 Decision Information

Wards Affected - All

Links to Corporate Plan and Policy Framework - Accessible Value for Money.

Lead Councillor - Councillor Ken Atack, Lead Member for Financial Management

Document Information

Appendix No	Title
Appendix 1	Draft Budget 2016/17
Appendix 2	Medium Term Revenue Plan 2016/17 to 2020/21
Appendix 3	Capital Programme 2016/17
Background Papers	
	None
Report Author	Paul Sutton, Head of Finance and Procurement
Contact Information	0300 003 0106 Paul.Sutton@cherwellandsouthnorthants.gov.uk

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Agenda Item 12

BUDGET PLANNING COMMITTEE WORK PROGRAMME 2015/16

Date	Agenda Items
19 January	Revenue and Capital Budget 2016/17 (Incl. MTFS) LG Settlement 2016/17 Review of Reserves
1 March	Q3 Budget Monitoring Q3 Procurement Monitoring Q3 Business Rates Monitoring Q3 Write Offs

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