

# Public Document Pack



**Committee:** Budget Planning Committee  
**Date:** Tuesday 1 November 2016  
**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 David Anderson</b>	<b>Councillor Ken Atack</b>
<b>Councillor Hugo Brown</b>	<b>Councillor Ian Corkin</b>
<b>Councillor Carmen Griffiths</b>	<b>Councillor Alan MacKenzie-Wintle</b>
<b>Councillor Andrew McHugh</b>	<b>Councillor Barry Richards</b>
<b>Councillor Tom Wallis</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 27 September 2016.

**5. Chairman's Announcements**

To receive communications from the Chairman.

**6. Review of Procurement Strategy Progress (Pages 5 - 8)**

Report of Chief Finance Officer.

**Purpose of report**

This report summarises the Council's Procurement Strategy progress for Q2 of the financial year 2016-17.

**Recommendations**

The meeting is recommended:

- 1.1 To note the progress made during Q2 2016-17 in implementing the Council's Procurement Strategy.

**7. Quarter 2 2016-17 - Revenue and Capital Budget Monitoring Report (Pages 9 - 20)**

Report of the Chief Finance Officer.

**Purpose of report**

To summarise the Council's Revenue and Capital position as at the end of the first six months of the financial year 2016-17 and projections for the full year.

**Recommendations**

The Committee is recommended:

- 1.1 To review the projected revenue and capital position at the end of September 2016 and make any comments to Executive.
- 1.2 To review the current position on reserves at the end of September 2016, and note the use of reserves.
- 1.3 To review the current position on Capital at the end of September 2016.

**8. Business Rates Monitoring 2016-2017 (Pages 21 - 26)**

Report of the Head of Strategic Planning and the Economy.

**Purpose of report**

To provide members of Budget Planning Committee with an update on the business rates position as at the end of Quarter 2 of the 2016-2017 financial year.

## **Recommendations**

The meeting is recommended:

- 1.1 To note the report.

## **9. Council Tax Reduction Scheme 2017-2018 (Pages 27 - 36)**

Report of the Chief Finance Officer

### **Purpose of report**

To provide members of the Budget Planning Committee with an update on the consultation process that has taken place on the proposals for the Council Tax Reduction Scheme (CTRS) 2017-2018.

### **Recommendations**

The meeting is recommended:

- 1.1 To note the contents of the report and any financial implications for the Council.
- 1.2 To recommend to Executive which option should be considered for the CTRS for 2017-2018 as part of the budget setting process.

## **10. Review of Committee Work Plan (Pages 37 - 38)**

To review the Committee Work Plan.

## **11. 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.”

**12. Medium Term Revenue Plan - 2017/18 to 2021/22 (Pages 39 - 52)**

Exempt report of the Chief Finance Officer.

**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](mailto: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 / Joel Bliss, Democratic and Elections  
lesley.farrell@cherwellandsouthnorthants.gov.uk, 01295 221591

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

Published on Monday 24 October 2016

**This page is intentionally left blank**

# 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 27 September 2016 at 6.30 pm

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

Councillor Ken Atack  
Councillor Hugo Brown  
Councillor Ian Corkin  
Councillor Carmen Griffiths  
Councillor Barry Richards  
Councillor Sean Woodcock

Substitute Members: Councillor Barry Wood (In place of Councillor David Anderson)

Apologies for absence: Councillor David Anderson  
Councillor Alan MacKenzie-Wintle  
Councillor Tom Wallis

Officers: Paul Sutton, Chief Finance Officer / Section 151 Officer  
George Hill, Corporate Finance Manager  
Lesley Farrell, Democratic and Elections Officer

#### 31 **Declarations of Interest**

There were no declarations of interest.

#### 32 **Urgent Business**

There were no items of urgent business.

#### 33 **Minutes**

The minutes of the meeting of the Committee held on 30 August 2016 were agreed a correct record and signed by the Chairman.

#### 34 **Chairman's Announcements**

There were no Chairman's Announcements

35

## **Budget Strategy 2017/18 and Beyond**

The Chief Finance Officer submitted a report on the Budget Strategy 2017/18 and beyond which informed the Committee of the service and financial planning process for 2017/18, the 2017/18 budget strategy and the budget guidelines for service managers to enable to production of the 2017/18 budget.

In considering the report, members were pleased that front line services would be protected.

In response to members' comments regarding internal recharging and how it would sit in relation to commercialisation, the Chief Finance Officer explained that when the current year's accounts had closed, work on recharging would start and feed into commercialisation.

### **Resolved**

- (1) That the contents of the report be endorsed.
- (2) That the following three recommendations be made to Executive
  - That the updated medium term revenue plan forecast for the Council's revenue budget for 2017/18 to 2021/22 be noted
  - That the overall 2017/18 budget strategy and service and financial planning process be endorsed
  - That the proposed budget guidelines and timetable for 2017/18 budget process be agreed

36

## **Review of Committee Work Plan**

In considering the work plan the Committee requested that the Solihull Partnership be invited back to the Committee along with the appropriate Executive Members. The Committee also requested that a tour of the outstanding Capital Projects be organised to give a better idea of the outstanding projects across the district.

The Chief Finance Officer suggested that due to the settlement technical consultation a further Committee could be scheduled if timings allowed.

### **Resolved**

- (1) That the Solihull Partnership, Executive members and the Head of Regeneration and Housing be invited, to a future meeting, to discuss the those capital projects currently being undertaken by the Solihull Partnership.
- (2) That arrangements be made for a members' tour of outstanding Capital Projects



- (3) That subject to resolutions (1) and (2) above the contents of the Work Programme be noted

37 **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 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

38 **Exempt Appendices - Budget Strategy 2017/18 and Beyond**

The Committee reviewed the exempt appendices

**Resolved**

- 1) That the exempt appendices be noted

39 **Efficiency Plan - 2017/18 to 2021/22**

The Chief Finance Officer submitted an exempt report which provided an update on the Council's Efficiency Plan 2017/18 to 2021/22.

The Committee noted and welcomed that the Government was offering a four year settlement, subject to the submission of and Efficiency Plan by 14 October 2016.

The Chief Finance Officer advised the Committee that a Technical Consultation which would look at changes to the established process and last for a period of 6 weeks would commence on 29 September 2016 and officers would be submitting a response on behalf of the Council.

**Resolved**

- (1) That the Executive be recommended to approve the Efficiency Plan 2017/18 to 2021/22.

The meeting ended at 7.50 pm

Chairman:

Date:

**This page is intentionally left blank**

## Cherwell District Council

### Budget Planning Committee

1 November 2016

#### Review of Procurement Strategy Progress

#### Report of Chief Finance Officer

This report is public

#### Purpose of report

This report summarises the Council's Procurement Strategy progress for Q2 of the financial year 2016-17.

#### 1.0 Recommendations

The meeting is recommended:

- 1.1 That the Committee note the progress made during Q2 2016-17 in implementing the Council's Procurement Strategy.

#### 2.0 Introduction

- 2.1 The shared procurement team is used to ensure we drive down costs wherever we can, improve the procurement process so it is as streamlined as possible (these are known as process savings) and ensure the regulatory minefield of procurement legislation is adhered to in order to protect the interests of the Council.

#### 3.0 Report Details

- 3.1 The procurement team continue to sell procurement support to the Graven Hill Development Company, advising on procurement projects with a total spend of circa £40m.
- 3.2 The Procurement Team continue to deliver best value for the Council and aggressively seek to reduce the whole life cost of projects.
- 3.3 Examples of added value achieved by the shared Procurement Team for CDC Q2 16/17 are shown in the table below.
- 3.4 The budget for running the Procurement Team for Cherwell District Council is £104,000 per annum.

Project	Procurement added value		Cumulative Total
	Q1	Q2	
<b>Cost savings</b>			
Satisfaction survey	£21,000		
Banking services		£18,000	
Early payment discount for Diesel		£500	
Woodgreen leisure centre management		£938,000	
<b>Sub total</b>	<b>£21,000</b>	<b>£956,500</b>	<b>£977,500</b>
<b>Process saving</b>			
Contract payment schedule correction	£1,000		
Internal audit contract extension		£6,000	
<b>Sub total</b>	<b>£1,000</b>	<b>£6,000</b>	<b>£7,000</b>
<b>Under budget</b>			
n/a			
<b>Sub total</b>		£0	
<b>Bid differential</b>			
Bicester sports facilities review	£7,500		
Bicester master plan consultancy	£10,000		
Retender of Kingsmere sports pavilion works	£600,000		
<b>Sub total</b>	<b>£617,500</b>	<b>£0</b>	<b>£617,500</b>
<b>Total</b>	<b>£639,500</b>	<b>£962,500</b>	<b>£1,602,000</b>

3.5 The list below is a sample of current procurement activity:

Project	Comment
Car park management	Currently at early stages of a competitive dialogue process.
Off site document storage	Reviewing requirement, seeking to reduce requirement prior to competitive process.
Internal Audit services	In discussions with Kettering & Wellingborough about aggregating requirement and running a further competition using established framework.

PAT testing	Established detailed specification prior to direct appointment using established framework.
Paper shredding	Currently benchmarking prices prior to deciding strategy.
Cash collection	Reviewing specification and possible contract extension.
Advertising services	Seeking service area contacts and commitment to participate in single cdc/snc wide project prior to running a competitive process.
Website design/hosting and support	Specification being finalised prior to sourcing via CCS GCloud.
Debt and money advice	Currently out to tender, responses due back end of the month.
Biomass wood pellet supply	Reviewing specification and evaluation criteria and weightings prior to running competitive process.
Agency staff	Seeking authority to award contract for non-professional agency staff from Executive and Cabinet in December. Devising strategy to ensure successful implementation if authorisation given

## 4.0 Conclusion and Reasons for Recommendations

4.1 The shared procurement service continues to provide a valuable service to both Councils by delivering value for money both in terms of cost savings, cost avoidance and back end savings. The service also strives to ensure compliance with Procurement regulations. The Budget Planning Committee is recommended to note the progress made in q2 2016/17.

## 5.0 Consultation

The work of the Procurement Team is scrutinised by the Procurement Steering Group that comprises:

- The Monitoring Officer
- The Section 151 Officer
- The Resources Portfolio Holder

## 6.0 Alternative Options and Reasons for Rejection

6.1 No reasonable alternatives.

## 7.0 Implications

### Financial and Resource Implications

7.1 There are no adverse financial effects on the Council by implementing the procurement strategy. Cashable savings will assist in protecting Council services and managing funding reductions.

Comments checked by:

George Hill, Interim Corporate Finance Manager 01295 221731  
george.hill@cherwellandsouthnorthants.gov.uk

### Legal Implications

7.2 Legal work closely with procurement to ensure that our processes are compliant and not open to challenge. The monitoring officer also plays a key role as part of the Procurement Steering Group.

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

Sound budgets and customer focused council

### Lead Councillor

Not applicable.

### Document Information

<b>Background Papers</b>	
None	
<b>Report Author</b>	Richard Stirling
<b>Contact Information</b>	01327 322113 richard.stirling@cherwellandsouthnorthants.gov.uk

## Cherwell District Council

### Budget Planning Committee

1 November 2016

<p><b>Quarter 2 2016-17 – Revenue and Capital Budget Monitoring Report</b></p>
--

### Report of the Chief Finance Officer

This report is public

#### **Purpose of report**

This report summarises the Council's Revenue and Capital position as at the end of the first six months of the financial year 2016-17 and projections for the full year.

#### **1.0 Recommendations**

Budget Planning Committee is recommended:

- 1.1 To review the projected revenue and capital position at the end of September 2016 and make any comments to Executive.
- 1.2 To review the current position on reserves at the end of September 2016, and note the use of reserves.
- 1.3 To review the current position on Capital at the end of September 2016.

#### **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 formulated in conjunction with the joint management team and formally to the Budget Planning Committee on a quarterly basis. The report will go to the Executive on 5 December 2016.
- 2.2 The revenue and capital expenditure up to the end of quarter 2 has been subject to a detailed review by Officers.

### 3.0 Report Details

#### Projected Revenue Outturn 2016-17

3.1 At quarter two the Council has an overspend of £147,000. Analysis by directorate can be found in Appendix 1.

SUMMARY BY SERVICE AREA 2016/17						
	Actual v Profile - April to September					
	Budget YTD £000's	Use of Reserves 2016/17 £000's	Revised Budget £000's	Actual YTD £000's	Variance (Under) / Over £000's	Concern Key
Chief Executive	103	25	128	128	0	G
<b>CHIEF EXECUTIVE TOTAL</b>	<b>103</b>	<b>25</b>	<b>128</b>	<b>128</b>	<b>0</b>	<b>G</b>
Bicester Regeneration projects	491	0	491	385	(106)	A
Regeneration and Housing	675	0	675	931	256	R
Human Resources	258	47	305	305	0	G
Information Services	808	61	869	869	0	G
Business Transformation	178	149	327	327	0	G
<b>COMMERCIAL DEVELOPMENT TOTAL</b>	<b>2,410</b>	<b>257</b>	<b>2,667</b>	<b>2,817</b>	<b>150</b>	<b>R</b>
Corporate Finance	1,550	0	1,550	1,575	25	A
Revenues	(92)	0	(92)	(92)	0	G
Benefits	80	30	110	110	0	G
Procurement	52	0	52	52	0	G
<b>CHIEF FINANCE OFFICER TOTAL</b>	<b>1,590</b>	<b>30</b>	<b>1,620</b>	<b>1,645</b>	<b>25</b>	<b>A</b>
Strategic Planning Economy	591	462	1,053	1,053	0	G
Development Management	151	245	396	396	0	G
Communications	143	0	143	143	0	G
Business Support Unit	64	0	64	64	0	G
Performance	97	0	97	97	0	G
Law and Governance	552	0	552	552	0	G
<b>STRATEGY AND COMMISSIONING TOTAL</b>	<b>1,598</b>	<b>707</b>	<b>2,305</b>	<b>2,305</b>	<b>0</b>	<b>G</b>
Community Services	1,556	30	1,586	1,516	(70)	A
Environmental Services	2,122	0	2,122	2,164	42	A
<b>OPERATIONS AND DELIVERY TOTAL</b>	<b>3,678</b>	<b>30</b>	<b>3,708</b>	<b>3,680</b>	<b>(28)</b>	<b>G</b>
<b>TOTAL DIRECTORATES</b>	<b>9,379</b>	<b>1,049</b>	<b>10,428</b>	<b>10,575</b>	<b>147</b>	<b>A</b>



3.2 The projected position for the year end shows an overspend of £200,000.

SUMMARY BY SERVICE AREA 2016/17						
	Projected v Budget - Full Year					
	Budget £000's	Use of Reserves 2016/17 £000's	Revised Budget £000's	Projected £000's	Variance (Under) / Over £000's	Concern Key
Chief Executive	175	50	225	225	0	G
<b>CHIEF EXECUTIVE TOTAL</b>	<b>175</b>	<b>50</b>	<b>225</b>	<b>225</b>	<b>0</b>	<b>G</b>
Bicester Regeneration projects	1,163	0	1,163	866	(297)	A
Regeneration and Housing	1,648	0	1,648	2,197	549	R
Human Resources	518	47	565	565	0	G
Information Services	1,497	61	1,558	1,558	0	G
Business Transformation	229	149	378	378	0	G
<b>COMMERCIAL DEVELOPMENT TOTAL</b>	<b>5,055</b>	<b>257</b>	<b>5,312</b>	<b>5,564</b>	<b>252</b>	<b>R</b>
Corporate Finance	2,908	0	2,908	2,908	0	G
Revenues	(182)	0	(182)	(182)	0	G
Benefits	161	73	234	234	0	G
Procurement	105	0	105	105	0	G
<b>CHIEF FINANCE OFFICER TOTAL</b>	<b>2,992</b>	<b>73</b>	<b>3,065</b>	<b>3,065</b>	<b>0</b>	<b>G</b>
Strategic Planning Economy	1,169	462	1,631	1,631	0	G
Development Management	304	245	549	549	0	G
Communications	295	0	295	295	0	G
Business Support Unit	88	0	88	88	0	G
Performance	198	0	198	198	0	G
Law and Governance	1,089	0	1,089	1,089	0	G
<b>STRATEGY AND COMMISSIONING TOTAL</b>	<b>3,143</b>	<b>707</b>	<b>3,850</b>	<b>3,850</b>	<b>0</b>	<b>G</b>
Community Services	5,164	60	5,224	5,089	(135)	A
Environmental Services	4,886	0	4,886	4,969	83	A
<b>OPERATIONS AND DELIVERY TOTAL</b>	<b>10,050</b>	<b>60</b>	<b>10,110</b>	<b>10,058</b>	<b>(52)</b>	<b>G</b>
<b>TOTAL DIRECTORATES</b>	<b>21,415</b>	<b>1,147</b>	<b>22,562</b>	<b>22,762</b>	<b>200</b>	<b>G</b>

### Projected Capital Outturn 2016-17

Directorate	APPROVED BUDGET £000	ACTUAL £000	PROJECTION £000	SLIPPAGE £000	VARIANCE £000
Strategy & Commissioning	0	0	0	0	0
Chief Finance Officer	38	0	38	0	0
Commercial Development	65,926	5,415	58,012	2,550	51
Operations & Delivery	4,760	1,295	2,403	2,075	(80)
<b>Total</b>	<b>70,724</b>	<b>6,710</b>	<b>60,453</b>	<b>4,625</b>	<b>(29)</b>

3.2 The net Capital projection as at 30 September 2016 is within budget tolerances (projected variance is less than 0.1% of the Approved Budget). The projected slippage relates to:

- the North West Bicester Eco Business Centre, the profile of spend for this project will become clearer once the procurement exercise is completed in September.
  - Bicester Sports Village, where work has commenced but some of the expenditure will be in 2017/18.
  -
- A detailed breakdown by capital scheme is presented at Appendix 2

## **Reserves 2016-17**

3.3 The Committee is asked to review the Council's reserves position as set out at Appendix 3, and note the use of reserves as shown.

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

4.1 It is recommended that:

- The contents of this report are reviewed.
- The use of reserves as shown in appendix 3

## **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 2016-17 Financial Targets for Revenue and Capital and presents the 2015-16 Capital Outturn position for endorsement. 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:

George Hill, Corporate Finance Manager  
[george.hill@cherwellandsouthnorthants.gov.uk](mailto:george.hill@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  
[kevin.lane@cherwellandsouthnorthants.gov.uk](mailto: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:  
Ed Bailey, Corporate Performance Manager, 01295 221605  
[edward.bailey@cherwellandsouthnorthants.gov.uk](mailto:edward.bailey@cherwellandsouthnorthants.gov.uk)

### **Equality and Diversity**

- 7.4 Impact assessments were carried out in advance of setting the 2016-17 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**

### **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>
Appendix 1	Directorate Analysis Revenue Expenditure 2016-17
Appendix 2	Capital Expenditure 2016-17

Appendix 3	Reserves 2016-17
<b>Background Papers</b>	
None	
<b>Report Author</b>	Paul Sutton, Chief Finance Officer
<b>Contact Information</b>	0300 003 0106 <a href="mailto:paul.sutton@cherwellandsouthnorthants.gov.uk">paul.sutton@cherwellandsouthnorthants.gov.uk</a>

**CHERWELL DISTRICT COUNCIL  
MANAGEMENT ACCOUNTS AS AT SEPTEMBER 2016**

Chief Executive													
	Actual v Profile						Projected v Budget						
	Budget YTD £000's	Use of Reserves 2016/17 £000's	Revised Budget £000's	Actual YTD £000's	Commitment £000's	Variance (Under) / Over £000's	Concern Key	Budget £000's	Use of Reserves 2016/17 £000's	Revised Budget £000's	Projected £000's	Variance (Under) / Over £000's	Concern Key
Chief Executive	103	25	128	119	9	0	G	175	50	225	225	0	G
<b>Chief Executive TOTAL</b>	<b>103</b>	<b>25</b>	<b>128</b>	<b>119</b>	<b>9</b>	<b>0</b>	<b>G</b>	<b>175</b>	<b>50</b>	<b>225</b>	<b>225</b>	<b>0</b>	<b>G</b>
<b>Reasons for major variance :</b>													
<u>Actual:</u>													
<b>Chief Executive</b>	An additional budget of £50,000 was approved to support studies into Devolution. This is funded from General Fund balances												
<u>Projected:</u>													
<b>Chief Executive</b>	An additional budget of £50,000 was approved to support studies into Devolution. This is funded from General Fund balances												

Concern Key (based on YTD budget)

Overspent more than 2.5% of budget	R
Underspent more than 2.5% of budget	A
Overspent between 1.5% and 2.5% of budget	A
Anything else	G

**This page is intentionally left blank**

**CHERWELL DISTRICT CAPITAL SPEND AND YEAR END PROJECTIONS  
MANAGEMENT ACCOUNTS AS AT SEPTEMBER 2016**

Ref	DESCRIPTION	SERVICE OWNER	ORIGINAL BUDGET £000	SLIPPAGE £000	ADJUSTMENTS £000	APPROVED BUDGET £000	ACTUAL £000	PROJECTION £000	SLIPPAGE £000	VARIANCE £000	COMMENTS
1	Financial System Upgrade	Paul Sutton	0	0		0	0	0		0	
2	HR / Payroll System replacement	Paul Sutton	0	38		38	0	38		0	Current supplier has agreed to continue provision until replacement system implemented.
<b>Chief Finance Officer Total</b>			<b>0</b>	<b>38</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>38</b>	<b>0</b>	<b>0</b>	
3	Bicester Community Building	Karen Curtin	0	758		758	455	383		80	£250k fit out for the 2nd floor remains unspent but plans are being drawn up to spend this in 16/17. The project as a whole is expected to be overspent by £80k due to construction delay.
4	Graven Hill	Karen Curtin	21,100	23,328		44,428	0	44,428		0	The company are currently preparing a revised forecast of spending and cashflow.
5	NW Bicester Eco Business Centre	Karen Curtin	4,000	0		4,000	4	1,499	2,500	3	Once the procurement exercise is complete in Sept the expected cash flow will become clearer. We should expect the majority of spend to be incurred in 2017/18
<b>Bicester Regeneration Projects Total</b>			<b>25,100</b>	<b>24,086</b>	<b>0</b>	<b>49,186</b>	<b>459</b>	<b>46,310</b>	<b>2,500</b>	<b>83</b>	
6	East West Railways	Scott Barnes	290	290		580	0	580		0	Planned to spend in 2016/17 - there is a 5yr schedule of capital contributions to 2019/20
7	Build Programme	Chris Stratford	0	11,531	0	11,531	3,397	8,134		0	Anticipated completion in 2016/17
8	23&24 Thorpe Place Roof Lights	Linda Barlow	0	4		4	0	0		(4)	Retention money held since at least 2013/14 - release the remaining capital funds
9	Condition Survey Works	Linda Barlow	0	176		176	135	41		(0)	Work planned for completion in 2016/17Planned to spend in 2016/17
10	Bradley Arcade Roof Repairs	Linda Barlow	0	98		98	14	84		0	Order placed 11th May 16 for completion in 2016/17
11	Upgrade Uninterrupted Pwr Supp Back up	Linda Barlow	0	337		337	8	329		(0)	Work procured through Solihull Partnership. Work is urgent, so there is a need to complete this year
12	Improvmts to Amenities Orchard Way	Linda Barlow	0	25		25	2	23		0	Work procured through Solihull Partnership. Likely to have a lengthy lead-in time so defer until Q.3 2016/17
13	Woodgreen - Condition Survey Works	Linda Barlow	0	30		30	22	8		(0)	Work undertaken by Leisure Services, will be completed in 2016/17
14	Banbury Museum Emergency Lighting Replac	Linda Barlow	0	70		70	71	0		1	Completed
15	Orchard Way Shopg Arcade Front Serv	Linda Barlow	0	300		300	0	300		0	Work procured through Solihull Partnership. Likely to have a lengthy lead-in time so defer until Q3 2016/17
16	21 23 Thorpe Place Replact Roof Lights	Linda Barlow	0	45		45	45	0		(0)	Completed
17	Bodicote House - Access Control System	Linda Barlow	0	27		27	36	0		9	Additional contractor costs have been incurred on this project
18	Old Bodicote House	Linda Barlow	0	73		73	18	55		(0)	Due for completion in 2016/17
19	Bicester Town Centre Redevelopment	Karen Curtin	0	99		99	34	65		0	Due for completion in 2016/17
20	Kidlington High Street Pedestrianisation	Linda Barlow	0	2		2	3	0		1	Scheme completed in 2015/16 - small additional costs incurred
21	Thorpe Lane Depot - CCTV Replacement	Linda Barlow	0	40		40	0	40		0	Due for completion in 2016/17
22	Bodicote House - CCTV Upgrade	Linda Barlow	0	15		15	0	15		0	Due for completion in 2016/17
23	Banbury Bus Station - Refurbishment	Linda Barlow	90	0		90	84	6		0	Planned to be spent in Q3 and Q4 2016/17
24	Banbury Museum - Refurbishment Programme	Linda Barlow	250	0		250	36	214		(0)	Due for completion in 2016/17
25	Community Buildings - Remedial Works	Linda Barlow	150	0		150	0	150		0	Due for completion in 2016/17
26	Car Parks Resurfacing	Linda Barlow	100	0		100	48	52		0	Due for completion in 2016/17
27	Ferriston Shop Parade Resurface Car park	Linda Barlow	40	0		40	0	40		0	Completed in April awaiting invoice from Solihull
28	Spiceball Riverbank Reinstatement	Linda Barlow	50	0		50	0	50		0	Due for completion in 2016/17
29	Bolton Road	Jane Norman	0	0	700	700	616	84		0	Demolition and construction of surface car park
30	Bicester Cattle Market Car Park Phase 2			90		90	0	90		0	Due for completion in 2016/17
<b>Assets Facilities Management Total</b>			<b>970</b>	<b>13,252</b>	<b>700</b>	<b>14,922</b>	<b>4,569</b>	<b>10,360</b>	<b>0</b>	<b>7</b>	
31	Disabled Facilities Grants	Tim Mills	750	81		831	278	553		0	Grants awarded as required. Anticipate all will be used in 2016/17
32	Discretionary Grants Domestic Properties	Tim Mills	275	229		504	81	423		(0)	Grants awarded as required. Anticipate all will be used in 2016/17
33	Empty Homes Work-in-Default Recoverable	Tim Mills	0	100		100	0	50	50	0	Grants awarded as required. Anticipate 50% will be used in 2016/17
<b>Private Sector Housing Total</b>			<b>1,025</b>	<b>410</b>	<b>0</b>	<b>1,435</b>	<b>359</b>	<b>1,026</b>	<b>50</b>	<b>(0)</b>	
34	Microsoft Licensing Agreement	Tim Spiers	0	39		39	0	0		(39)	Capital funding not required - funded from revenue
35	Corporate Bookings System	Tim Spiers	0	8		8	8	0		(0)	Completed
36	Extended Contract for Website Hosting	Tim Spiers	0	36	(36)	0	0	0		0	Funding to be used for website redevelopment
37	VMware Virtual Centre Disaster Recy Mngr	Tim Spiers	0	35		35	0	35		0	Slippage to 2016/17 pending review of IT strategy, new strategy expected to be agreed in October 16
38	Land & Property Harmonisation	Tim Spiers	0	77		77	8	69		0	Due for completion in 2016/17
39	5 Year Rolling HW / SW Replacement Prog	Tim Spiers	50	0		50	4	46		(0)	5 year rolling programme
40	Business Systems Harmonisation Programme	Tim Spiers	40	0		40	3	37		0	Five year rolling programme - £40,000/year
41	Website Redevelopment	Tim Spiers	66	0	36	102	5	97		(0)	Slippage to 2016/17 pending review of IT strategy, new strategy expected to be agreed in October 16
42	Visualifies Upgrade	Tim Spiers	0	32		32	0	32		0	Due for completion in 2016/17
<b>Information Technology Total</b>			<b>156</b>	<b>227</b>	<b>0</b>	<b>383</b>	<b>28</b>	<b>316</b>	<b>0</b>	<b>(39)</b>	
<b>Commercial Development Total</b>			<b>27,251</b>	<b>37,975</b>	<b>700</b>	<b>65,926</b>	<b>5,415</b>	<b>58,012</b>	<b>2,550</b>	<b>51</b>	
43	Biomass Heating Bicester Leisure Centre	Sharon Bolton	0	84		84	1	13		(70)	Project works completed, however additional safety works to undertaken circa £14K. £70K not required.
44	Cooper Sports Hall Roof	Sharon Bolton	0	100		100	87	0		(13)	Project works completed. £13K not required.

**CHERWELL DISTRICT CAPITAL SPEND AND YEAR END PROJECTIONS  
MANAGEMENT ACCOUNTS AS AT SEPTEMBER 2016**

Ref	DESCRIPTION	SERVICE OWNER	ORIGINAL BUDGET £000	SLIPPAGE £000	ADJUSTMENTS £000	APPROVED BUDGET £000	ACTUAL £000	PROJECTION £000	SLIPPAGE £000	VARIANCE £000	COMMENTS
45	Customer Self-Service Portal CRM Solutn	Natasha Barnes	0	80		80	0	80		0	Due for completion in 2016/17
46	The Hill Youth Community Centre	Chris Stratford	450	400		850	1	849		0	Due for completion in 2016/17
47	Bicester Sports Village	Phil Rolls	45	790		835	0	0	835	0	Project commence but will slip into 2017/18
48	Community Centre Refurbishments	Phil Rolls	0	84		84	0	84		0	Due for completion in 2016/17
49	Solar Photovoltaics at Sports Centre	Sharon Bolton	0	80		80	0	80		0	Due for completion in 2016/17
50	Football Development Plan in Banbury	Phil Rolls	0	20		20	0	20		0	Target completion for Q4. 2016/17
51	North Oxfordshire Academy Astrotrurf	Sharon Bolton	0	150		150	0	150		0	Initial project discussions commenced with ULT. Schedule and potential slippage will be known in q.3
52	South West Bicester Sports Village	Phil Rolls	0	955		955	65	0	890	0	Project commence but will slip into 2017/18
53	Stratfield Brake Repair Works	Sharon Bolton	0	22		22	0	22		0	Target completion for Q4.
54	Car Park Refurbishments	Natasha Barnes	0	5		5	0	5		0	Due for completion in 2016/17
55	Implementing Vehicle Parks Proposals	Natasha Barnes	0	17		17	0	17		0	Due for completion in 2016/17
56	WGLC Dry Side Refurbishment	Sharon Bolton	1,200	100		1,300	0	1,300		0	Due for completion in 2016/18
57	Bicester Leisure Centre Extension	Sharon Bolton	150	0		150	0		150	0	Slip into 2017/18
58	Spiceball Leis Centre Bridge Resurfacing	Sharon Bolton	30	0		30	0	30		0	Bridge works planned Q4
<b>Community Services Total</b>			<b>1,875</b>	<b>2,887</b>	<b>0</b>	<b>4,762</b>	<b>153</b>	<b>2,650</b>	<b>1,875</b>	<b>(83)</b>	
59	Energy Efficiency Projects	Ed Potter	0	24		24	7	17	0	(0)	Spend dependant on projects submitted for funding - expecting full spend Q.3 & 4
60	Glass Bank Recycling Scheme	Ed Potter	0	8		8	11	0	0	3	Fully committed - will be spent in 2016/17
61	Recycling Bank Scheme	Ed Potter	0	5		5	5	0	0	(0)	Fully committed - will be spent in 2016/17
62	Public Conveniences	Ed Potter	0	25		25	25	0	0	0	Fully committed - will be spent in 2016/17
63	Off Road Parking Facilities	Ed Potter	0	18		18	0	18	0	0	Liaising with Environment Agency. Project schedule should be available in Q.3
64	Vehicle Replacement Programme	Ed Potter	933	15		948	1,092	948	0	0	Due for completion in 2016/17
65	Wheeled Bin Replacement Scheme	Ed Potter	240	0		240	2	40	200	0	Based on 1845 new properties/growth
66	Urban Centre Electricity Installations	Ed Potter	30	0		30	0	30	0	0	Will be out to tender in Q.3, and spent in Q.4
<b>Environmental Services Total</b>			<b>1,203</b>	<b>95</b>	<b>0</b>	<b>1,298</b>	<b>1,142</b>	<b>1,053</b>	<b>200</b>	<b>3</b>	
<b>Community &amp; Environment Total</b>			<b>3,078</b>	<b>2,982</b>	<b>0</b>	<b>6,060</b>	<b>1,295</b>	<b>3,703</b>	<b>2,075</b>	<b>(80)</b>	
<b>Capital Total</b>			<b>30,329</b>	<b>40,995</b>	<b>700</b>	<b>72,024</b>	<b>6,710</b>	<b>61,753</b>	<b>4,625</b>	<b>(29)</b>	



**Cherwell District Council**  
**Reserves 2016-16 - September 2016**

Reserve	Owner	Service Owner	Statutory Accounts Balance 31-Mar-16 £000	Transfer in £000	Proposed Use of Reserves £000	Transfer out £000	Balance 30-Sep-16 £000	Comments
<b>General Fund:</b>								
Building Control	Kate Crussell	Andy Kidd	(100)				(100)	
Capacity Funding	Joanne Kaye	Karen Curtin	(88)			148	60	Agreed by Council Feb 16
Car Park Studies	Kelly Wheeler	Ian Davies	(185)				(185)	
Corporate IT	Brian Wallace	Tim Spiers	(143)		61		(82)	
Corporate Transformation	Brian Wallace	Paul Sutton	(866)		149		(717)	
Country Park Reserve	Kelly Wheeler	Kevin Lerner	(100)				(100)	
Elections	Kate Crussell	James Doble	(109)				(109)	
Environmental Warranties	Ian Robinson	Paul Sutton	(1,000)				(1,000)	
General Fund Items	Brian Wallace	Paul Sutton	(245)				(245)	
Graven Hill Equalisation Reserve	Joanne Kaye	Karen Curtin	(3,396)				(3,396)	
Hanwell Fields Open Space	Kate Crussell	Andy Preston / Lewis Bankes-Hughes	(79)				(79)	
Housing Reserve	Brian Wallace	Marianne North	(220)				(220)	
Joint External Bid-writer	Joanne Kaye	Karen Curtin	(30)				(30)	
Licensing	Kelly Wheeler	Nicolas Sutcliffe	(146)				(146)	
Local Plan Charges	Kate Crussell	Adrian Colwell	(512)		189	370	47	Agreed by Council Feb 16
NHB - Affordable Housing	Brian Wallace	Chris Stratford	(415)				(415)	
NHB - Economic Development	Kate Crussell	Adrian Colwell	(1,428)	(2,030)			(3,458)	Agreed by Council Feb 16
NHB - Superfast Broadband	Kate Crussell	Adrian Colwell	(727)		273		(454)	
Planning Control	Kate Crussell	Andy Preston	(750)		195	129	(426)	Agreed by Council Feb 16
Corporate Projects	Brian Wallace	Paul Sutton	(674)		30		(644)	
Retained Business Rates	Brian Wallace	Mandy Anderson	(2,205)				(2,205)	
Sainsbury's Primary Authority	Kelly Wheeler	Jackie Fitzsimons	(55)				(55)	
Self Insurance	Brian Wallace	Stephen Welsted	(160)				(160)	
VAT Deminimus	Brian Wallace	Paul Sutton	(500)				(500)	
Welfare Reform	Brian Wallace	Ryszard Filipiak	(99)				(99)	
Wheeled Bin Replacements	Kelly Wheeler	Ed Potter	(111)				(111)	
			<b>(14,343)</b>	<b>(2,030)</b>	<b>897</b>	<b>647</b>	<b>(14,829)</b>	
<b>Earmarked Reserves from Grants &amp; Contributions</b>								
Area Based Grant	Brian Wallace		(83)				(83)	
Bicester Fields Main Park	Kate Crussell	Andy Preston / Lewis Bankes-Hughes	(97)				(97)	
Brighter Futures - Skills Reward Grant	Kelly Wheeler	Ian Davies	(95)				(95)	
Bicester Garden Town	Joanne Kaye	Karen Curtin	(1,521)			638	(883)	Agreed by Council Feb 16
Bicester Youth Bus	Kelly Wheeler	Mike Grant	(65)				(65)	
Broadfield Road Yarnton Sports	Kate Crussell	Andy Preston / Lewis Bankes-Hughes	(4)				(4)	
Courtyard Youth Arts	Kelly Wheeler	Nicola Riley	(39)				(39)	
Dovecote Milcombe	Kate Crussell	Andy Preston / Lewis Bankes-Hughes	(56)				(56)	
Eco Town Revenue	Joanne Kaye	Karen Curtin	(592)			324	(268)	Agreed by Council Feb 16
Emergency Planning	Kelly Wheeler	Jackie Fitzsimons	(40)				(40)	
Green Deal Pioneer Places	Joanne Kaye	Karen Curtin	(69)				(69)	
Home Improvement Agency	Brian Wallace	Tim Mills	(234)				(234)	
Homelessness Prevention	Brian Wallace	Marianne North	(70)				(70)	
New Burdens Grant	Kelly Wheeler	Ian Davies	(248)				(248)	
Housing and Planning Initiatives	Brian Wallace/ Kate Crussell	Andy Preston / Adrian Colwell / Chris Stratford	(322)			13	(309)	Agreed by Council Feb 16
Total of smaller grants & contrib under £65k			(375)		97		(278)	
			<b>(3,910)</b>	<b>0</b>	<b>97</b>	<b>975</b>	<b>(2,838)</b>	
<b>Total Earmarked Reserves</b>			<b>(18,253)</b>	<b>(2,030)</b>	<b>994</b>	<b>1,622</b>	<b>(17,667)</b>	

**This page is intentionally left blank**

## Cherwell District Council

### Budget Planning Committee

1 November 2016

#### Business Rates Monitoring 2016-2017

### Report of the Head of Strategic Planning and the Economy

This report is public

#### Purpose of report

To provide members of Budget Planning Committee with an update on the business rates position as at the end of Quarter 2 of the 2016-2017 financial year.

#### 1.0 Recommendations

The meeting is recommended:

- 1.1 To note this report.

#### 2.0 Introduction

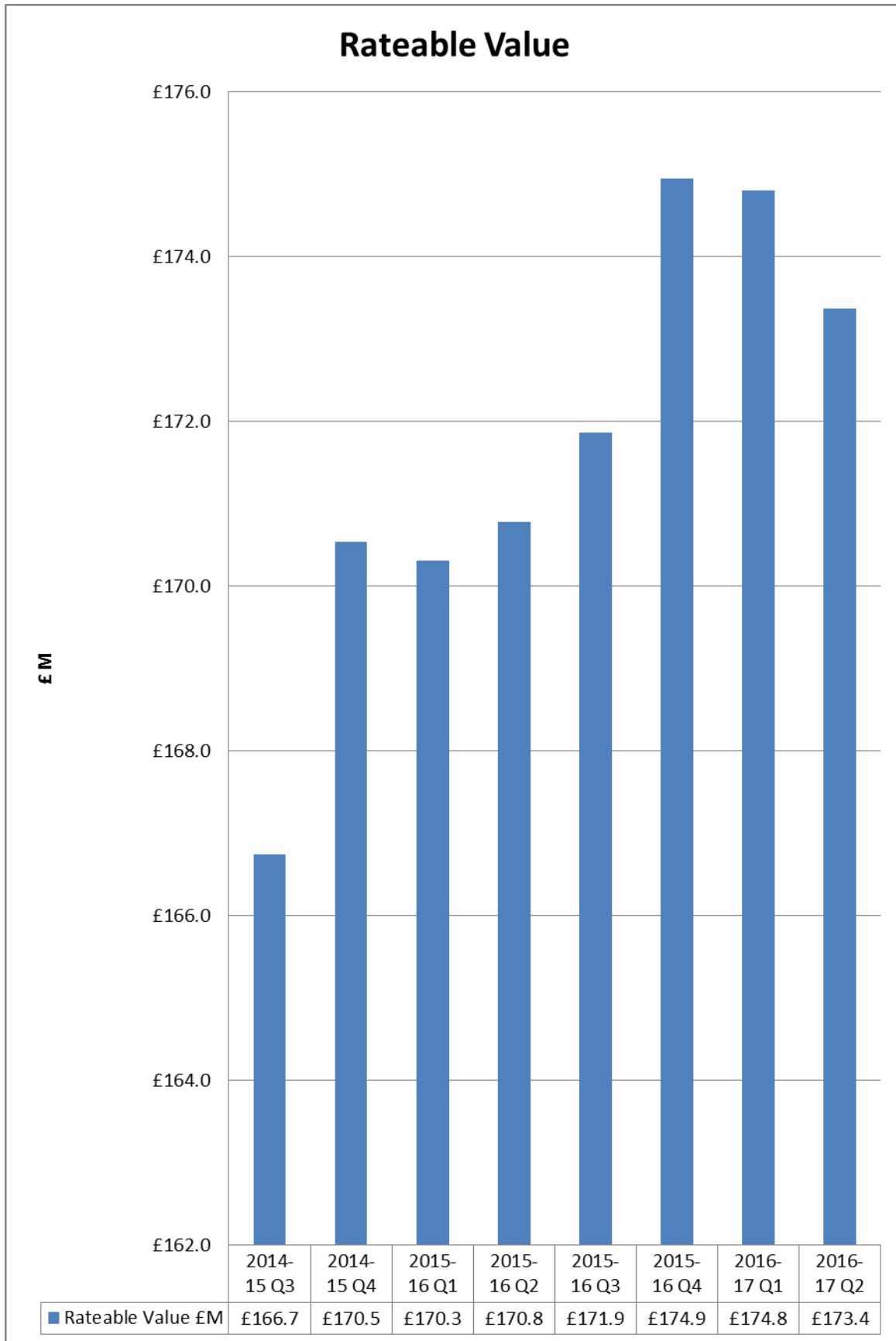
2.1 Members will be aware of the key changes affecting local government finance from 1 April 2013, including arrangements for the localisation of business rates, with local government being able to retain a proportion of business rates growth. Since the start of the current financial year there has been some movement in business rates growth and decline in the district with the Rateable Value decreasing from £174.9m in April 2016 to £173.4m in September 2016. The reasons for this are explained in paragraph 3.3.

2.2 In-year monitoring to the end of September 2016 shows the Non-Domestic Rating income, after allowing for accounting adjustments, to be slightly lower than the estimate provided in the NNDR1 return. This is a timing issue based on when properties are brought into the rating list and we would expect this position to improve during the year as more properties are brought into rating. Table 3 in paragraph 3.9 shows the budget monitoring position.

#### 3.0 Report Details

3.1 Business rates are a property tax based on the rateable value of each non-domestic property. Rateable values are determined by the Valuation Office Agency (VOA) and are mostly based on rental values. The rateable value for Cherwell District Council at the end of Quarter 2 of the 2016-2017 financial year was £173,367,345. The graph below shows the movement in rateable values since Quarter 3 2014-2015. As you will see there is considerable volatility which makes it difficult to make estimates of business rates income with any degree of certainty.

**Table 1: Rateable Values from 2014-15 to 2016-17**



- 3.2 The Rating List is updated every five years although the next revaluation, which was due to be effective from 1 April 2015, has been deferred by the Government until 2017. The draft 2017 Rating List has been published and we are currently considering the implications.
- 3.3 The rateable value for the authority has decreased by £1,434,534 from July to September 2016. There are a number of increases and decreases making up this amount. The largest of these are outlined in the table below:

**Table 2: Growth and Decline in the District for July to September 2016**

<b>Growth</b>	<b>Reason</b>	<b>Change in RV</b>
Heyford Park Free School	New property	92,500
Ardley Fields Quarry	Reassessment by VOA	83,000
<b>Major areas of Growth</b>		<b>175,500</b>
<b>Decline</b>	<b>Reason</b>	<b>Change in RV</b>
Bicester, Tesco Pingle Drive	Demolished and deleted from the List	-1,330,000
Yarnton, Cassington Plant	The VOA have reduced the RV following an appeal	-189,000
Launton, Mars Building, Bicester Park	The VOA have reduced the RV following an appeal	-50,000
Various	Miscellaneous small movements in growth and decline	-41,034
<b>Major areas of Decline</b>		<b>-1,610,034</b>
<b>Movement in Rateable Value for Quarter 2</b>		<b>-1,434,534</b>

- 3.5 Billing authorities are required to complete a return called the NNDR1 before the beginning of the financial year to forecast the amount of business rates that they will collect during the course of the year and from this will make a number of allowable deductions for a provision for appeals and losses in collection in order to arrive at a figure for its non-domestic rating income.
- 3.6 Once rateable value has been established a multiplier is applied to turn it into an amount to be charged to businesses. At the end of Quarter 2, the non-domestic rating income, after applying the multiplier to the rateable value detailed above, and after allowing for the accounting adjustments, is £76,702,558. The non-domestic rating income collected is then split between Central Government (50%), Cherwell District Council (40%) and Oxfordshire County Council (10%). A tariff is deducted and paid to Central Government. The remaining amount is then compared to the baseline funding figure (for Cherwell this is £3,494,939 for 2016-2017) and a levy of 50% is payable on the excess (any growth) to Central Government. The remainder stays with the Council.

- 3.7 As Cherwell is in a pool, we retain more business rates as the levy rate is 0% instead of 50% outside of the pool. In 2016-17, the North Oxfordshire Business Rates Pool consists of Cherwell District Council, West Oxfordshire District Council and Oxfordshire County Council. This combination of authorities results in a levy of 0%. Should other authorities join the Pool then the levy would be more than 0% and Cherwell would have to pay the levy to Central Government.
- 3.8 For the financial year 2016-17 Cherwell entered into a distribution arrangement with all the other Oxfordshire authorities under which Oxford City Council and South Oxfordshire District Council agreed to be omitted from the Pool of authorities whose business rates base would be used to maximise the potential funds available for distribution. Under this arrangement (which is intended to be confirmed by formal agreement between the Oxfordshire authorities) the levy remains at 0%, but Oxford City Council and South Oxfordshire District Council share in the risks and rewards of being in the Pool. Our proportion of the pooling gain is therefore smaller than anticipated and has resulted in a small deficit forecast at the end of September 2016.
- 3.9 The retained business rates income budgeted for in 2016-17, including the baseline funding of £3,494,939, is £6,275,000. At the end of September 2016 the retained business rates income, after allowing for accounting adjustment for provisions, is estimated to be £6,174,516 which is £100,484 or 1.6% less than budgeted. This is detailed in the table 3 below:

**Table 3: Budget monitoring 2016-17**

	Budget	Forecast Outturn	Variance
	£'000	£'000	£'000
Baseline funding	-3,495	-3,495	0
Retained Business Rates	-2,780	-2,679	101
<b>2016-2017 impact on General Fund</b>	<b>-6,275</b>	<b>-6,174</b>	<b>101</b>

## 4.0 Conclusions and Reasons for Recommendations

- 4.1 Members are asked to note the detail of this report.

## 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: None: this report is provided for information.

## **7.0 Implications**

### **Financial and Resource Implications**

7.1 These are contained within the report.

Comments checked by:  
Paul Sutton, Chief Finance Officer  
[paul.sutton@cherwellandsouthnorthants.gov.uk](mailto:paul.sutton@cherwellandsouthnorthants.gov.uk)

### **Legal Implications**

7.2 None directly arising as this is a report for information.

Comments checked by:  
Richard Hawtin, Team Leader - Non-Contentious Business, Law and Governance,  
01295 221695  
[richard.hawtin@cherwellandsouthnorthants.gov.uk](mailto:richard.hawtin@cherwellandsouthnorthants.gov.uk)

### **Risk Management**

7.3 The report highlights the need to monitor business rates income against budget to understand the implications of any significant variances. Risk 'S02 – Financial Resilience' is monitored on a regular basis as part of the Council's Corporate Risk Register and will be monitored through the operational risk register. Any increase in risk is reviewed and acted on.

Comments checked by: Ed Bailey  
Corporate Performance Manager, 01295 221605  
[edward.bailey@cherwellandsouthnorthants.gov.uk](mailto:edward.bailey@cherwellandsouthnorthants.gov.uk)

## **8.0 Decision Information**

### **Wards Affected**

All

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

To prudently manage the Council's finances.

### **Lead Councillor**

Councillor Ken Atack, Lead Member for Financial Management

## Document Information

Appendix No	Title
None	
Report Author	Mandy Anderson, Financial Analyst
Contact Information	Mandy Anderson, Financial Analyst <a href="mailto:mandy.anderson@cherwellandsouthnorthants.gov.uk">mandy.anderson@cherwellandsouthnorthants.gov.uk</a> 01327 322233



## Cherwell District Council

### Budget Planning Committee

1st November 2016

#### Council Tax Reduction Scheme 2017-2018

#### Report of the Chief Finance Officer

This report is public

#### Purpose of report

To provide members of the Budget Planning Committee with an update on the consultation process that has taken place on the proposals for the Council Tax Reduction Scheme (CTRS) 2017-2018.

#### 1.0 Recommendations

The meeting is recommended:

- 1.1 To note the contents of the report and any financial implications for the Council.
- 1.2 To recommend to Executive which option should be considered for the CTRS for 2017-2018 as part of the budget setting process.

#### 2.0 Introduction

- 2.1 In December 2015 members approved a Council Tax Reduction Scheme (CTRS) for Cherwell District Council for the financial year 2016-2017. The scheme remained the same as in the previous year and mirrored the previous Council Tax Benefit scheme.
- 2.2 The scheme for pensioners is set nationally and pensioners have not seen any change to the support they receive. Cherwell District Council is required to design its own scheme for working age customers.
- 2.3 The Council Tax Reduction Scheme is based on a fixed cash grant based on approximately 90% of the previous Council Tax Benefit subsidy giving a funding gap of around £742,430 for Cherwell. The funding gap is mostly offset by the changes to locally set Council Tax discounts.

- 2.4 In July 2016 members of this Committee received a report on the latest intelligence on the CTRS 2016-2017 and the options available for the scheme for 2017-2018. Members recommended for 2017-2018 an option that would mean no change to the 2016-2017 scheme with only minor changes to reflect amended regulations issued by DCLG and to mirror changes in the benefit rates made by Department for Work and Pensions.
- 2.5 On 3<sup>rd</sup> October 2016 Executive approved for consultation purposes only the option of no change to the current CTRS for the financial year 2017-2018
- 2.6 This report provides members with an update on the consultation process and a summary of the responses received.

### **3.0 Report Details**

#### **Council Tax Reduction Scheme Consultation Process**

- 3.1 Members agreed for consultation purposes the option of no change to the current Council Tax Reduction scheme for 2017-2018. This means that the scheme mirrored the previous Council Tax Benefit scheme.
- 3.2 There is a requirement to consult with the public, major preceptors and other parties who may have an interest in the Council Tax Reduction Scheme. It was agreed that a full consultation process would take place. The consultation began on 5<sup>th</sup> October 2016 ending on 24<sup>th</sup> October 2016.
- 3.3 The consultation process included detailed information and a response form on the website. Targeted consultation also took place with 750 households across the district who were invited to take part in the survey. Consultation has also taken place with major preceptors.
- 3.4 A total of 54 responses were received although not all questions were answered by the respondents. A summary of the results can be found at Appendix A of this report. The key findings are as follows:
  - All of the 54 responses came from individuals rather than on behalf of organisations
  - 24 of the 52 respondents (46.2%) agreed that the Council should continue with the current scheme
  - If the Council were to consider other options to help pay for the scheme 28 the respondents (54%) felt that the level of support for working age households should be reduced, 9 respondents (18%) felt that Council Tax should be increased and 11 (22%) were in favour of reduction in funding for other services.
- 3.5 The results of the survey will be published on the Cherwell District Council website shortly.

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

- 4.1 The proposal is to keep the same Council Tax Reduction Scheme for 2017-2018. There will be some minor changes to the Regulations to reflect changes such as benefit uprating.
- 4.2 Members are now required to note the contents of this report and to recommend to Executive a Council Tax Reduction Scheme for the 2017-2018 financial year.

## **5.0 Consultation**

There is a requirement to consult with the public, major preceptors and other parties who may have an interest in the Council Tax Reduction Scheme. In October 2014 a Supreme Court judgement ruled that consultation must be not only on the preferred option but also on all other potential options such as reducing council services and raising council tax.

## **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 recommend any of the options for a scheme for 2017-2018. This would have financial implications for the Council and those residents affected by Welfare Reform.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 See table contained in this report.

Comments checked by:  
Paul Sutton Chief Finance Officer,  
Paul.sutton@cherwellandsouthnorthants.gov.uk

### **Legal Implications**

- 7.2 The Council is required to approve a Council Tax Reduction Scheme on an annual basis. Failure to do so will affect the reputation of the Council and will have a financial implication for residents.

Comments checked by:  
Kevin Lane, Head of Law and Governance  
kevin.lane@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 priorities of a district of opportunity and sound budgets and a customer focused council

### Lead Councillor

Councillor Ken Atack Lead Member for Financial Management

### Document Information

Appendix No	Title
A	<i>Results of Consultation</i>
Background Papers	
None	
Report Author	Belinda Green (Joint Revenues and Benefits Manager)
Contact Information	Belinda Green: 01327 322182 <a href="mailto:Belinda.green@southnorthants.gov.uk">Belinda.green@southnorthants.gov.uk</a>

# **Appendix A**

## **Council Tax Reduction Scheme 2017-2018: Public Consultation**

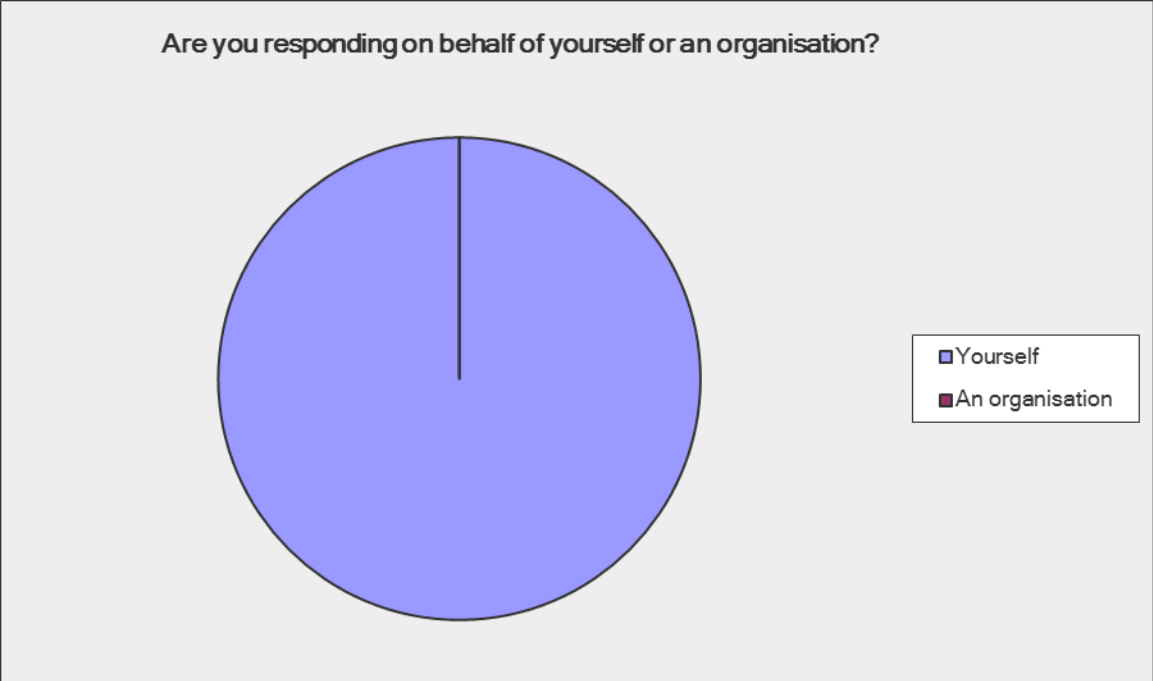
**54**

Total Responses received

---

# Q1: Are you responding on behalf of yourself or an organisation?

54 Answered on behalf of an individual



## Q2: CURRENT SCHEME: Do you agree that the Council should continue with the current scheme which provides the same level of financial support as was provided by Council Tax?

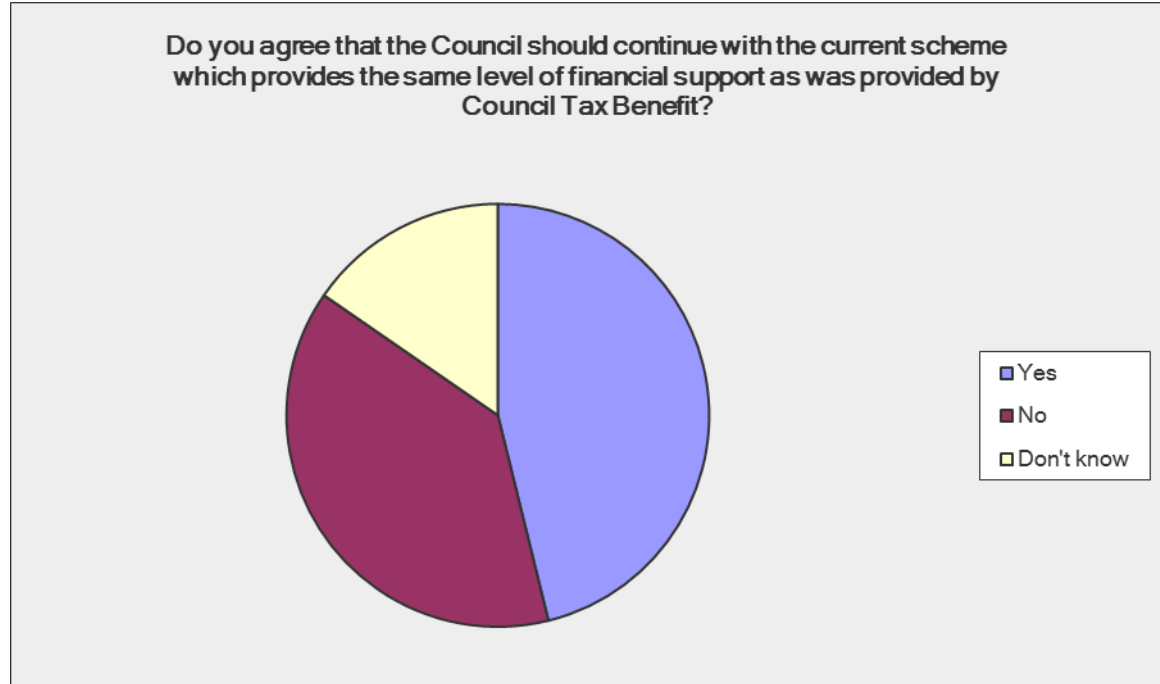
Answered: 52 Skipped: 2

Yes 46.2% - 24 responses

No 31.5% - 20 responses

Don't know 15.4% - 8 responses

Page 34





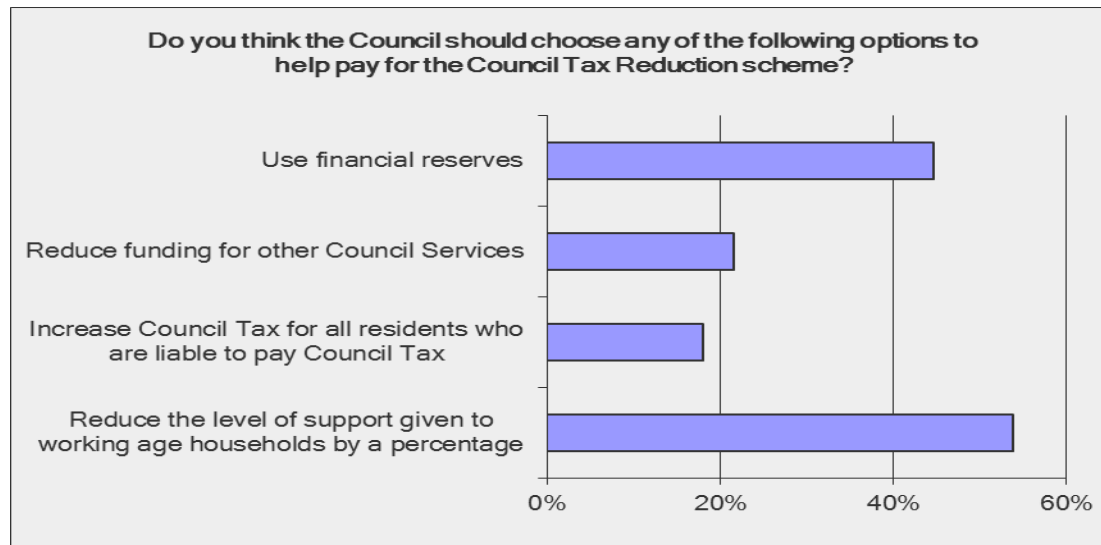
### Q3: OTHER OPTIONS: Do you think the Council should choose any of the following options to help pay for the Council Tax Reduction Scheme?

Use reserves: 45% 21 responses

Reduce funding for other services: 22% - 11 responses

Increase Council Tax 18% - 9 responses

Reduce level of support for working age households 54% - 28 responses



## Please use the space below to make any further comments

---

- Local politicians have to relay to their political masters that reducing local government capacity to provide services is a false economy.
  - All people of working age should have to pay a percentage.
  - Council Tax is more than one tenth of my wage each month but as I am a home owner well jointly with bank I don't receive any help.
  - I think everyone should at least contribute a small sum as every household benefits from the services provided.
  - Do not sacrifice social care for our elderly to support younger people who could easily work – there are loads of jobs in Cherwell and unless medically unfit then everyone should work at contribute a bit to the community.
  - Ensuring that all working age households contribute will encourage them to appreciate the difficult choices that local authorities have to make. An increase in Council Tax sanctioned by referendum would be deeply undemocratic when many of those voting would not be subject to any increase in charges. If they continue to receive 100% protection via the CTR scheme.
  - I have little knowledge of tax reduction scheme.
  - If you are needing to use financial reserves – make sure it is no more than 10% of the reserves.
  - Give higher tax to very rich people.
  - The council should consider providing support only to those households who are the lowest level of council tax in any region.
  - Was invited to claim benefit via age concern.
-

Date	Agenda Items
1 November	Q2 Budget Monitoring Q2 Reserves Monitoring Q2 Procurement Monitoring Q2 Business Rates Monitoring CTRS 2017/18 Medium Term Financial Strategy
29 November	Capital Bids 2017/18 Discounts and Exemptions Review Fees and Charges 2017/18 Medium Term Financial Strategy
17 January	Revenue and Capital Budget 2017/18 (Incl. MTFS) LG Settlement 2017/18
28 February	Q3 Budget Monitoring Q3 reserves Monitoring Q3 Procurement Monitoring Q3 Business Rates Monitoring Q3 Write Offs

**This page is intentionally left blank**

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

Document is Restricted

**This page is intentionally left blank**

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

Document is Restricted

**This page is intentionally left blank**



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

Document is Restricted

**This page is intentionally left blank**