

Agenda



Listening Learning Leading

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Date: 11 February 2013

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A MEETING OF THE

Scrutiny Committee

WILL BE HELD ON TUESDAY 19 FEBRUARY 2013 AT **7.00 PM**

COUNCIL CHAMBER, DISTRICT COUNCIL OFFICES, CROWMARSH
GIFFORD

Members of the Committee:

Mrs Eleanor Hards (Chairman)

Ms Joan Bland (Vice-
Chairman)
Mrs Celia Collett, MBE
Mr Steve Connel
Mr John Cotton

Ms Kristina Crabbe
Mrs Pat Dawe
Mr Leo Docherty
Mr Will Hall

Mr Paul Harrison
Mr Stephen Harrod
Ms Elizabeth Hodgkin
Mr David Turner

Substitutes

*Mr Roger Bell
Mr Felix Bloomfield
Mr David Bretherton
Mr Bernard Cooper
Mr Philip Cross
Mrs Margaret Davies*

*Mr Mark Gray
Mr Tony Harbour
Mr Marcus Harris
Mr Marc Hiles
Ms Lynn Lloyd
Mrs Ann Midwinter*

*Ms Anne Purse
Mr Robert Simister
Mrs Jennifer Wood
Miss Rachel Wallis
Mr Michael Welply*

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1 Apologies

2 Declaration of disclosable pecuniary interest

3 Minutes

Minutes previously circulated.

Purpose: to approve the minutes of the meeting on 15 January 2013.

4 Revenue Budget 2013/14 and Capital Programme to 2017/18
(Pages 5 - 70)

Report of the Head of Finance (**attached**)

This report will be considered by Cabinet on 14 February and by Council on 21 February.

Purpose: the committee is asked to consider the report and the budget proposals and make comments and recommendations to Council.

5 Review of the Council's Housing Allocations Policy (Pages 71 - 78)

Report of the Head of Health and Housing (**attached**)

This report sets out the proposed changes to the council's housing allocations policy.

The summary of changes and the full draft policy are available on the council's consultation portal at <https://consult.southandvale.gov.uk/portal/> and should be read along with the attached report.

Purpose: the committee is asked to consider the proposed amendments to the housing allocations policy as set out in this report, and to submit the views of the committee to Cabinet for consideration prior to its adoption of a revised allocations policy.

6 Adoption of the Council's Tenancy Strategy (Pages 79 - 94)

Report of the Head of Health and Housing (**attached**)

The draft tenancy strategy is attached as Appendix 1 to this report,

Purpose: the committee is asked to consider the draft tenancy strategy, attached as an appendix to the report, and provide Cabinet with its views prior to Cabinet considering a final draft of the strategy for adoption.

7 Corporate plan 2008-2012: final review of performance (Pages 95 - 104)

Report of the Head of Corporate Strategy (**attached**)

This report is the final review of the council's performance in delivering its strategic objectives and corporate priorities contained within the former corporate plan for the period 2008-2012.

Purpose: the committee is asked to note the council's performance against its corporate plan 2008-2012.

MARGARET REED

Head of Legal and Democratic Services

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Report to: Cabinet Scrutiny Committee Council



Report of Head of Finance

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To: CABINET

14 February 2013

To: SCRUTINY COMMITTEE

19 February 2013

To: COUNCIL

21 February 2013

Revenue Budget 2013/14 and Capital Programme to 2017/18

RECOMMENDATIONS

1. That cabinet recommends to council that it:

- a. sets the revenue budget for 2013/14 at £11,684,623 and the council tax requirement as £6,187,635, as set out in appendix A1 to this report
- b. approves the capital programme for 2013/14 to 2017/18 as set out in appendix C to this report, together with the capital growth bids set out in appendix D of this report
- c. sets the council's prudential limits as listed in appendix F to this report
- d. approves the medium term financial plan to 2017/18 as set out in appendix G to this report
- e. allocates £1 million to fund the Community Investment Fund grant scheme.

2. That cabinet agrees that the cabinet member for finance, in conjunction with the leader, may make minor adjustments to this report and the prudential indicators, in conjunction with the head of finance, should they prove necessary prior to its submission to council on 21 February 2013

Purpose of report

1. This report:
 - brings together all relevant information to allow cabinet to recommend to council a revenue budget for 2013/14 and a capital programme for 2013/14 to 2017/18
 - details changes from the information presented in the “2013/14 budget update report” that was considered by scrutiny committee on 15 January 2013
 - recommends the prudential indicators to be set by the council in accordance with ‘the Prudential Code’ introduced as part of the Local Government Act 2003
 - contains the opinion of the council’s strategic director and chief financial officer on the robustness of estimates and adequacy of the council’s financial reserves
 - contains the medium term financial plan which provides details of the forward budget model for the next five years.
2. This report should be read in conjunction with the scrutiny committee report, as it builds on the base budget information contained in that report and does not seek to cover the whole budget setting process.

Strategic objectives

3. Setting the budget in accordance with prescribed timetables enables the council to comply with its strategic objective of managing our business effectively.
4. The allocation of financial resources within the revenue and capital budgets needs to match the objectives agreed by the council. The objectives identify where investment, including proposed growth, will take place in order to help the council achieve its corporate plan targets. The budgets also identify disinvestment from non-priority services in order to pay for new investment without the whole burden falling on the council tax.
5. Where officers have made growth proposals (known as growth bids), each bid sets out how it will help achieve the council’s objectives. The cabinet member for finance has chosen to include some officer growth bids in his budget proposals and these are identified in **appendix A2** (revenue) and **appendix D** (capital). The full set of growth bids is available as background papers on request.

Revenue budget 2013/14 – changes since scrutiny committee report

6. The scrutiny committee report discussed the composition of the council’s base revenue budget for 2013/14, and reported at that time that the provisional budget requirement for 2013/14 was £11,766,520. Since that report was considered there has been further review of the budget by both officers and the cabinet member for finance. As a result, the proposed budget requirement is now £11,684,623.

7. **Appendix A1** shows the movements in the budget since the scrutiny committee report was completed, which are discussed in the following paragraphs.

One-off and ongoing revenue growth

8. Paragraphs 49-52 of the scrutiny committee report discussed growth, revenue bids submitted being shown in appendix D of that report.
9. The cabinet member for finance has, since the scrutiny committee meeting, selected those that are to go forward, including a new bid in health and housing for the extension of a fixed term contract for a lettings officer (reference JHAHREV2). As a result of the changes to revenue growth the amount shown in **appendix A2** has reduced since the scrutiny committee report by £53,000 to £529,070.

Revenue consequences of capital growth

10. A full list of capital growth is in **appendix D**. The revenue consequence of that growth is £12,170 for 2013/14 and is a mixture of one-off costs and ongoing maintenance of new assets. This is a decrease of £2,400 since scrutiny committee. Capital growth is considered in more detail later in this report.

Other budget revisions

11. Officers have continued to refine budgets since the scrutiny committee report and a number of revisions to budgets have resulted from this work. These revisions amount to a budget saving of £608,998 and are detailed in **appendix A3**.

Funding changes

12. A number of proposed changes to funding are identified in **appendix A1**, and are explained below.

Enabling fund

13. Inclusion of one-off growth items in the budget proposal has resulted in an increased use of the enabling fund of £418,440.

Other reserves

14. The essential growth bid for the Didcot and Science Vale co-ordinator post, which as shown in **appendix A3** has been reduced, can be funded from previously received revenue grant funding for Didcot growth points, rather than the enabling fund as originally proposed.

Efficiency support for services in sparse areas

15. On 4 February 2013 government announced additional grant funding for councils in rural areas. The council will receive in 2013/14 an additional £19,456. Officers are not aware of the full details of the grant but currently anticipate that this will be for one year only.

Investment income

16. Estimates of investment earnings have been revised since the scrutiny committee report and £94,000 more will be available to support the revenue budget during 2013/14. The remaining £500,000 increase reflects a change to using all distributed investment income to support the revenue account, with Community Investment Fund grant schemes being funded separately as part of capital programme financing. Previously, investment income was specifically ring-fenced into an earmarked reserve to fund these grants. However to simplify accounting for investment income this will not be done in future and the grants will be funded in the same way as the rest of the capital programme.

Transfer to revenue budget smoothing reserve

17. As a result of the budget changes since the scrutiny committee report the budget proposal includes a budgeted transfer of £876,566 to the revenue budget smoothing reserve. In the scrutiny committee report it was estimated that a transfer of £175,919 from the reserve would be required. The total movement since that report equals £1,052,485 as shown in **appendix A1**. With the considerable uncertainty concerning the future funding of local government this transfer will assist the council in dealing with the challenges ahead, which are discussed further later.

Government and tax funding changes

Finalised local government settlement

18. The government issued the finalised local government settlement for 2013/14 and revised provisional settlement for 2014/15 on 4 February 2013. The impact on the funding receivable by the council is minimal and outlined in the table below.

Table 1: changes to start-up funding allocation

	Start-up funding allocations					
	2013/14			2014/15		
	Provisional £	Finalised £	Change £	Provisional £	Revised £	Change £
CT freeze	171,240	171,240	-	171,240	171,240	-
CTRS	665,141	665,085	(56)	-	-	-
Homelessness	50,000	50,000	-	50,000	50,000	-
Other	4,810,001	4,809,807	(194)	4,747,344	4,747,494	150
Total	5,696,382	5,696,132	(250)	4,968,584	4,968,734	150

Business rate retention scheme

19. Since the scrutiny committee report, the NNDR1 form has been completed and the estimate of amounts due has been revised downwards. This brings expected receipts to below the government's safety net, so after receipt of safety net payments the council will be £170,669 below the business rates baseline. This reduction is mainly due to a number of schools in south Oxfordshire planning to convert to academy status in 2013/14. Academies have exempt charitable status and receive mandatory relief from payment of business rates.

Collection fund

20. The surplus on the collection fund is now estimated to be £217,492, an increase of £6,590 since the scrutiny committee report.

Cabinet member for finance's revenue budget proposal

21. Based on the amendments detailed above, and as shown in **appendix A1** of this report, the cabinet member's budget proposal, including growth, is for a net revenue budget of **£11,684,623, a reduction of £469,735 from 2012/13**. This revenue budget as proposed would result in a reduction of 2.5 per cent to current band "D" council tax. The council tax requirement is £6,187,635. **Appendix B** shows the breakdown of the revenue budget.

22. The Medium Term Financial Strategy (MTFS) sets a target within which the revenue budget will be set each year, which is that:

"The net budget requirement (revenue) shall increase by no more than inflation, except where new responsibility is placed on the council".

23. The cabinet member for finance's revenue budget proposal of £11,684,623 is lower than the previous year's budget requirement and is therefore within the revenue budget target, meeting the requirement laid down in the medium term financial strategy.

Capital programme 2013/14 to 2017/18

Current capital programme

24. The scrutiny committee report gave details of the full capital programme (approved and provisional) as it then stood and of funding. A latest capital programme (before growth) is attached at **appendix C** and is summarised in table 2 below. It is the capital programme as set by council in February 2012 plus:-

- slippage (caused by delays to projects) carried forward from 2011/12
- new schemes approved by council during 2012/13
- re-profiling of expenditure on schemes from the 2012/13 financial year to future years where delays to schemes have occurred
- cabinet approved movement of schemes from the provisional to the approved capital programme
- deletion of previously agreed schemes that are no longer to be pursued
- deletion of completed schemes.

Table 2: current capital programme (before growth)

	2012/13 latest estimate £000	2013/14 estimate £000	2014/15 estimate £000	2015/16 estimate £000	2016/17 estimate £000	2017/18 estimate £000
Approved programme	4,834	4,209	867	845	845	845
Provisional programme	2,296	6,083	9,733	1,720	720	500
Total	7,130	10,292	10,600	2,565	1,565	1,345

25. Monies that can be used to fund capital expenditure only (e.g. capital receipts, developer contributions, interest earmarked to fund capital expenditure) are called on first when determining how to finance the capital programme. Once these specific resources are exhausted, the capital programme is funded from the enabling fund.

Cabinet capital programme proposals

26. **Appendix D** contains a list of new capital schemes that the cabinet member for finance is putting forward as part of his budget proposals. Officers will amend the provisional capital programme to include the proposals if approved by cabinet and council.

27. A number of new capital schemes have been proposed since the scrutiny committee report. Some of these will be funded from receipts from Section 106 agreements. The other new schemes are as follows:

- SCMTCAP2 – capital contingency
- SCMTCAP3 – new homes bonus
- SELPCAP13 – EA FDGiA grant for flood alleviation at Wheatley
- SELPCAP15 – improvement to car park pay stations and new “pay and display” machines
- SELPCAP16 – broadband fund.

Financing the capital programme

28. **Appendix E** contains a schedule identifying how the capital programme will be financed, including the growth proposals, if they are approved. The programme proposed can be fully funded from existing and anticipated capital resources. The strategic director and chief finance officer comments on the adequacy of reserves and balances below and in **appendix H**.

Future pressures on the capital programme

29. Officers advise cabinet not to earmark all available resources in proposing the budget to council, as the prudential code requires local authorities to set sustainable budgets. By retaining an unallocated balance, cabinet can

demonstrate that through a combination of this and future income (that can be expected beyond the period of the budget) it can fund future pressures.

The prudential code and prudential indicators

30. In setting its revenue and capital budgets for 2013/14, the council must agree prudential indicators in accordance with the prudential code (see below). When recommending its budgets to council, cabinet must also recommend the prudential indicators.
31. From 1 April 2004, government control of local authorities' borrowing was abolished and replaced by a prudential system of self-regulation. Authorities are able to borrow based on need and affordability, which they demonstrate through compliance with the prudential code developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and given statutory force by government regulation.
32. The key objectives of the prudential code are to ensure that the capital investment plans of the authority are affordable, prudent and sustainable. To demonstrate that authorities have had regard to these objectives, the prudential code sets out a number of indicators that must be considered covering five distinct areas – capital expenditure, affordability, prudence, external debt and treasury management. Council must approve the indicators through the budget process before 1 April each year, but they can be revised during the year if required.
33. The key indicators that will drive the capital budget decision making process will be those concerning affordability, as these measure the impact of capital investment decisions on the overall revenue budget and in particular the precept against the collection fund.
34. In setting or revising the prudential indicators the council is required to have regard to:
 - affordability e.g. implications for the precept
 - prudence and sustainability e.g. implications for external borrowing
 - value for money e.g. option appraisal
 - stewardship of assets e.g. asset management planning
 - service objectives e.g. strategic planning for the council
 - practicality e.g. achievability of the forward plan.
35. Under the code, the strategic director and chief finance officer is responsible for ensuring that the council considers all relevant matters when setting or revising indicators through a report. The strategic director and chief finance officer is also required to establish procedures to monitor performance against all forward-looking indicators; and report upon any significant deviations from forward forecasts with proposed actions.
36. **Appendix F** contains the recommended prudential indicators, which have been calculated based on the budget proposals attached (**appendices A1 and E**). The strategic director and chief finance officer is satisfied that these indicators

show that the council's capital investment plans are affordable, prudent and sustainable.

The Medium Term Financial Plan (MTFP)

37. The MTFP for 2013/14 to 2017/18 agreed by cabinet on 6 December 2012 and council on 13 December 2012 sets out the objectives to be achieved and the principles to be followed in setting the budget.
38. The MTFP provides a forward budget model for the next five years, and highlights the known estimated budget pressures for new responsibilities and changes in legislation, predicted investment and capital receipts.
39. **Appendix G** contains the MTFP for 2013/14 to 2017/18. This is a projection of the revenue budget up to 31 March 2018. The projection includes an amount for unknown budget pressures in later years and assumes that council approves all the budget proposals within this report. Officers have made no adjustments for the costs of contracts that will be re-let during this period. These could rise or fall depending on market conditions.
40. The MTFP identifies some significant challenges ahead for the council. It assumes that government grant funding will fall by 35 per cent from 2013/14 to 2017/18. This is only an estimate by officers, and the fall could be greater or less. It also incorporates assumptions on interest income, and other known pressures on the council, such as inflation and salary increments.
41. The 2013/14 budget includes £245,967 for payments to town and parish councils in respect of their share of the government's council tax support grant. The council tax support grant is included within the start-up funding allocation and for 2013/14 the share applicable to town and parish councils was explicitly identified. The government is funding 60 per cent of the grant through revenue support grant and 40 per cent through the business rates spending baseline.
42. For 2014/15 onwards the element of the start-up funding allocation applicable to the council tax reduction scheme will not be explicitly identified by the government. Whilst the business rates element of the start-up funding allocation will increase each year with inflation, the revenue support grant element will fall considerably. At this stage it is proposed to budget for the town and parish council share of the council tax support grant originally included within the business rates baseline (i.e. 40 per cent) to continue to be paid out, and be inflated by inflation. A decision on whether to pay more than this amount to town and parish councils will be taken annually as part of the budget setting process, and will be based on further information received from government.
43. Estimates of future receipts of new homes bonus have been revised since the scrutiny committee report. The results are shown in table 3 below, and are also included in the MTFP (detailed in row 36). In total the council is expected to have received in excess of £11.7 million by the end of the MTFP period.
44. The element of the bonus that relates to the new homes bonus premium (expected to be approximately £85,000 in total over the period) is ring-fenced to support the provision of additional affordable housing. In addition, £433,000 has been set aside for community led schemes in locations that are accommodating

new housing, of which £250,000 has already been allocated. A capital growth bid (SCMTCAP3) proposes to allocate a further £317,000 for new schemes. The remaining balance is currently unallocated.

Table 3: new homes bonus

Year earned	Year of receipt				
	2013/14 indicative £000	2014/15 indicative £000	2015/16 indicative £000	2016/17 indicative £000	2017/18 indicative £000
2011/12	260	260	260	260	
2012/13	347	347	347	347	347
2013/14	536	536	536	536	536
2014/15	0	402	402	402	402
2015/16	0	0	556	556	556
2016/17	0	0	0	681	681
2017/18	0	0	0	0	797
Total	1,143	1,545	2,101	2,782	3,319

45. To continue to set a balanced budget with no call on reserves in future years the required ongoing savings are shown in table 4 below:

Table 4: ongoing annual savings required to set balanced budget

	Ongoing savings required £000
2014/15	989
2015/16	2,132
2016/17	2,923
2017/18	3,597

46. As identified in row 53 of the MTFP, based on current assumptions, if no further savings were identified the council would need to use £8.8 million of reserves by 2017/18. This is officers' working assumption until further savings are identified and assumes no annual outturn under-spends or over-spends.

47. Officers consider that the pressures highlighted are manageable in the period covered by the MTFP, (in light of the reserves and balances available to the council and our ability to vary budgets and redirect funding). However, making the savings required to balance the budget in future years will be a significant challenge. Management team is already looking at ways in which the budget gap in future years can be closed.

CIF grant scheme funding

48. On an annual basis, the council considers the amount to be made available for the Community Investment Fund grant scheme, based on investment income earned in the previous financial year. Investment income is predicted to be £2.6 million in 2012/13. On that basis it is recommended that a grants budget of £1 million be set. This is an increase of £500,000 over the previous financial year, as reflected in the capital growth bid reference SCORCAP1. Any underspend against this will not be carried forward.

49. Over the course of administering the grant scheme a balance has built up in an earmarked reserve of unallocated funds, totalling £3.2 million at 31 March 2013. This balance will be added to the enabling fund balance.

The robustness of the estimates and the adequacy of reserves

50. The Local Government Act 2003 places a duty on the chief finance officer (i.e. the strategic director and chief finance officer) to report on the robustness of the estimates and the adequacy of reserves. The council must have regard to this report when making decisions about the setting of the budget.
51. The construction of the budget has been managed by qualified accountants and has been subject to challenge, specifically by the strategic director and chief finance officer, head of finance, other heads of service, management team and the cabinet member for finance. Informal meetings of cabinet have considered the budget, and a report detailing the base budget has gone to the council's scrutiny committee. In view of the process undertaken and his own knowledge of the budget, the strategic director and chief finance officer is satisfied that the budget is both prudent and robust.
52. The council's practice is not to use interest in the year it is earned, but in later years. The strategic director and chief finance officer is satisfied that this allows retention of sufficient uncommitted balances at the end of the period to ensure that the overall level of reserves is adequate in relation to the proposed revenue budget and capital programme and that the budgets are sustainable. The enabling fund balance as at 31 March 2018 is estimated to be £3.8 million.
53. **Appendix H** contains the strategic director and chief finance officer's full report.

Legal Implications

54. The cabinet needs to make recommendations to council on its spending proposals. Under the Local Government Act 2000 it is council that must agree the revenue and capital spending plans, and then set the council tax. Council will meet on 21 February 2013 in order to set the budget, and the council tax (including amounts set by Oxfordshire County Council and the Thames Valley Police and Crime Commissioner).
55. The requirement placed on council by the Local Government Act 2003 to set prudential indicators and for the chief finance officer to make a report to the authority on the robustness of the estimates and the adequacy of reserves are addressed within the body of this report.

Other Implications

56. Agreement of the revenue and capital budgets authorises expenditure in accordance with the council's delegated powers and financial procedure rules. The officer, councillor or councillor body taking those decisions will take into account the human resources, sustainability and equality and diversity implications of individual spending decisions.

Conclusion

57. This report provides details of the revenue base budget for 2013/14, the capital programme 2013/14 to 2017/18, government grants (the settlement), uncommitted reserves and balances, the cabinet member for finance's budget proposals and the resulting prudential indicators.

58. In light of the information provided cabinet must make a number of recommendations to council regarding the revenue budget, the capital programme and the prudential indicators.

Appendices

Appendix A1	Revenue budget 2013/14
Appendix A2	Revenue growth bids
Appendix A3	Other budget revisions
Appendix B	Service budget analysis
Appendix C	Capital programme before growth
Appendix D	Capital growth bids
Appendix E	Financing of capital programme and growth proposals
Appendix F	Prudential indicators
Appendix G	Medium term financial plan
Appendix H	Report on the robustness of the estimates and the adequacy of reserves and balances

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South Oxfordshire DC Revenue budget 2013/14

	£	£
Previous provisional budget requirement (as reported in scrutiny committee report of 19 January 2013)		11,766,520
1) Amendments to items included in scrutiny committee report		
One off and ongoing revenue growth		
Net revisions - a full list of revised growth can be seen in appendix A2	529,070	
Revenue consequences of capital growth		
Net revisions - a full list of revised growth can be seen in appendix D	12,170	
		541,240
2) Further budget adjustments		
Other budget revisions (appendix A3)	(608,998)	
Funding changes		
Enabling fund	(418,440)	
Other reserves	(34,728)	
Efficiency support for services in sparse areas	(19,456)	
Investment income	(594,000)	
Transfer to revenue budget smoothing reserve	1,052,485	
		(623,137)
Revised budget requirement for 2013/14		11,684,623
Funded by:		
Start-up funding allocation		(5,696,132)
Parish contribution - council tax support funding		245,967
NNDR under / over baseline		170,669
Balance on collection fund		(217,492)
Council tax		(6,187,635)
Total funding		(11,684,623)
Council tax at band 'D' equivalent 2013/14		117.62
Council tax at band 'D' equivalent 2012/13		120.64
Percentage increase / (reduction)		(2.5%)

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Appendix A2
South Oxfordshire DC - 2013/14 revenue growth bids

No	Title of bid	Summary	South only or joint bid?	Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
One-off growth bids								
CORPORATE STRATEGY AND WASTE								
SCORREV2 (revised)	Increase the level of street cleansing	Extend the deep cleanse undertaken in 2012/13, to those areas that have not been covered such as footpaths between parishes and extending the cutting back of some paths. The size of the team required would be four, the cost approximately £90,000. This cost would vary depending on what areas we choose to focus on and how many people would be required.	South	90,000	0	0	0	0
JCORREV2	Membership of Green Deal Community Interest Company	The councils have an opportunity to join other authorities in setting up a Community Interest Company (CIC) with the purpose of becoming a Green Deal Provider. South Oxfordshire and the Vale of White Horse District Councils can jointly become a shareholder member of the CIC at a combined one off cost of £35,000. Green Deal is a mechanism which will allow householders to get energy efficiency measures installed without having to pay for them up front. This is a commercial operation and the councils would exercise shared control over the uses to which the profits generated by the CIC might be put, to benefit residents.	Joint	17,500	0	0	0	0
				107,500	0	0	0	0

Appendix A2
South Oxfordshire DC - 2013/14 revenue growth bids

No	Title of bid	Summary	South only or joint bid?	Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
ECONOMY, LEISURE AND PROPERTY								
SELPREV1	Continuation of participation activator role to August 2014	GO Active was initially a three year externally-funded project that ran from December 2008 – December 2011 focussing on adult (16 plus) participation in sport and activity. Additional funding made it possible to employ a participation activator to support the co-ordinator in July 2012 and this role is due to finish July 2013. We would like to continue this role for a further year so that the co-ordinator is supported to deliver additional projects, including potential projects with NGBs and community games, to tie in with when the leisure contracts need to be renewed from August 2014.	South	14,400	10,000	0	0	0
JELPREV1	Strategic property technical support officer	The strategic property team requires a part-time post to assist with ongoing project, such as assisting with initial population and upkeep of data for the new estate management software, and assisting with the voluntary registration process planned for Vale in 2013/14. They would also free up existing officers for other tasks, such as fulfilling a more pro-active role in inspections of corporate property, by taking responsibility for Agresso function and providing additional clerical support. The proposal is that the cost would be split on a one third/two thirds basis between South and Vale respectively.	Joint	4,500	0	0	0	0
JELPREV3	Additional leisure staff – five year leisure projects officer post and leisure administration assistant (apprenticeship) post	SMB has agreed some additional staff to manage and support the procurement of the 2014 leisure management contract (s) and in parallel, the procurement and construction process for the new leisure centre for Didcot and any other facilities that are agreed during this time period (potentially Berinsfield and Wantage / Grove). The two members of staff are being recruited in 2012 and will be funded by existing ELP budgets until the end of this financial year. This bid will extend that funding for a further three years	Joint	42,170	42,170	42,170	31,080	0

Appendix A2
South Oxfordshire DC - 2013/14 revenue growth bids

No	Title of bid	Summary	South only or joint bid?	Spending profile:					
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	
ECONOMY, LEISURE AND PROPERTY continued									
SELPCAP3 (revised)	Berinsfield co- location project - preliminary option assessments	OCC is looking to rationalise its property stock in the Berinsfield area and has approached officers regarding their initial thoughts on co-locating the leisure centre, library, youth service and the information and advice service all within the existing leisure centre site. Instead of embarking on a project to locate all these facilities within the existing constraints of the site, it is proposed that a new, purpose-built facility is constructed.	South	100,000					
				161,070	52,170	42,170	31,080	0	
HEALTH AND HOUSING									
JHAHREV2 (new bid)	Extension of fixed term contract- Lettings Officer	Both councils have seen an increase in homelessness and TA placements as a consequence of the economic situation. This has led to increased workloads for the homelessness officer and the TA officer. This growth bid is to help people in mortgage difficulties, to fund additional resource until March 2014.	Joint	16,750					
				16,750	0	0	0	0	0

Appendix A2
South Oxfordshire DC - 2013/14 revenue growth bids

No	Title of bid	Summary	South only or joint bid?	Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
HR, IT & CUSTOMER SERVICES								
JHICREV1	Enabling mobile websites	The council websites are not optimised for viewing on mobile devices. Although they do mostly work, the rendition is slow and some functionality is poor. More and more users want to browse websites from mobile devices, particularly smart phones. If we are serious about extending our reach and making council services accessible then we need to develop our websites so that they provide a fully-featured and responsive service to smart phone users. We anticipate that the necessary research and development could be done within a total budget of £20,000, shared equally between the two councils.	Joint	10,000	0	0	0	0
				10,000	0	0	0	0

Appendix A2
South Oxfordshire DC - 2013/14 revenue growth bids

No	Title of bid	Summary	South only or joint bid?	Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
PLANNING								
SPLAREV2	Up-to-date aerial photographs	This bid is to update our coverage of aerial photographs across the district. This will allow better and quick desk top assessments for planning enforcement investigations and planning applications. Such information provides valuable evidence in planning assessments and at the planning committee and is used regularly by other council teams to help deliver services or in consultations. The last set of aerial photos date from 2009.	South	10,000	0	0	0	0
SPLAREV3	Planning policy function	Following the adoption of the core strategy, there is now a programme of prospective work, in part required to implement commitments made in the core strategy and in part driven by other internal and external factors. The actual work programme will need to be agreed by SMB and cabinet. The growth bid represents the estimated cost of this work, less existing available budget.	South	85,500	0	0	0	0
SPLAREV5	Updating the South Oxfordshire Ancient Woodland Inventory	There are many areas of ancient woodland throughout South Oxfordshire, identified from survey work undertaken in the mid 1980s which would no longer be considered as being sufficiently up to date. The National Planning Policy framework specifically identifies ancient woodlands as irreplaceable habitats which should be protected from loss or damage from development. The Thames Valley Environmental Records Centre is running a project in Oxfordshire to update the inventory for which they received initial funding, but additional funding is required	South	35,000	0	0	0	0

Appendix A2
South Oxfordshire DC - 2013/14 revenue growth bids

No	Title of bid	Summary	South only or joint bid?	Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
PLANNING continued								
JPLAREV2 (revised)	Neighbourhood planning resources	This bid covers the need to support town and parishes in developing neighbourhood plans for their area, following government's requirement as set out in the Localism Act for councils to provide technical support for neighbourhood bodies. The proposal is for an officer at both South and Vale. This would be a temp 3 yr post, funded up front by the council, but government funding should cover the staff and on-costs	Joint	46,000	46,000	46,000	0	0
				176,500	46,000	46,000	0	0
Total one-off				471,820	98,170	88,170	31,080	0

Appendix A2
South Oxfordshire DC - 2013/14 revenue growth bids

No	Title of bid	Summary	South only or joint bid?	Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
Ongoing growth bids								
CORPORATE STRATEGY AND WASTE								
SCORREV1 (revised)	Improvements to council owned areas of Ladygrove estate in Didcot	Increase our investment in grounds maintenance to further enhance the attractiveness of the district. Ladygrove: there are a number of sites that residents complain about on Ladygrove which we currently own but are not included in the grounds maintenance contract on a routine basis. These could be added to the GM contract but would need to be assessed and a specification created. We estimate the cost would £20K per annum.	South	20,000	20,000	20,000	20,000	20,000
CORPORATE STRATEGY AND WASTE (CONTINUED)								
JCORREV4	Garden waste scheme price increase	This growth bid would mean that the cost of the garden waste service would remain the same rather than be increased by 2.9 per cent. This would mitigate the concern that customers who have reluctantly moved to DD would phone or write to complain about the increased charge	South	22,900	22,900	22,900	22,900	22,900
				42,900	42,900	42,900	42,900	42,900
ECONOMY, LEISURE AND PROPERTY								
JELPREV2	New shared South and Vale post to assist emergency planning officer	The Civil Contingencies Act places a legal obligation upon local authorities to have an emergency planning officer to ensure their organisation is in compliance with the Act and share information with other responders. Currently the shared technical and facilities manager carries out the role of emergency planning officer. This new part time post would provide resilience for both councils and cover for the shared technical and facilities manager in order to react and co-ordinate resources in times of emergency.	Joint	5,850	5,850	5,850	5,850	5,850
				5,850	5,850	5,850	5,850	5,850

Appendix A2
South Oxfordshire DC - 2013/14 revenue growth bids

No	Title of bid	Summary	South only or joint bid?	Spending profile:					
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £	
HR, IT & CUSTOMER SERVICES									
JHICREV2	Harmonisation of pay	When employees' terms and conditions of service were harmonised with effect from April 2010, the councils committed to harmonise pay and grading by 31 March 2013. This commitment was enshrined in a collective agreement with UNISON. 78 Vale employees remain on the old Vale pay scales. This bid is the anticipated cost of harmonising these posts.	Joint	8,500	8,500	8,500	8,500	8,500	
				8,500	8,500	8,500	8,500	8,500	
Total ongoing				57,250	57,250	57,250	57,250	57,250	
GRAND TOTAL				529,070	155,420	145,420	88,330	57,250	

Appendix A3

South Oxfordshire DC - 2013/14 other budget build changes

Ref:	Summary	Spending profile:				
		2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
CHANGES TO ESSENTIAL GROWTH						
CORPORATE MANAGEMENT TEAM						
VCMTESS2	Didcot and Science Vale - funding of co-ordinaor post. Post now assessed only 30 per cent south for staff costs, so budget revised down from £59,380 to £34,728. Cost will be funded from grant funding received	(24,652)	(24,652)	(24,652)	(24,652)	(24,652)
		(24,652)	(24,652)	(24,652)	(24,652)	(24,652)
LEGAL & DEMOCRATIC						
SLEGREV2	Reduction in licensing income - budget for 2013/14 revised following in-year budget monitoring	(11,430)	(11,430)	(11,430)	(11,430)	(11,430)
		(11,430)	(11,430)	(11,430)	(11,430)	(11,430)

Appendix A3

South Oxfordshire DC - 2013/14 other budget build changes

Ref:	Summary	Spending profile:				
		2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
OTHER CHANGES						
ECONOMY LEISURE AND PROPERTY						
1	Revision of estimated car parking fees for 2013/14 in line with predicted outturn for 2012/13	(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
		(90,000)	(90,000)	(90,000)	(90,000)	(90,000)
FINANCE						
2	Revised housing benefit cost estimates have resulting in a reduction of related budgets	(244,749)	(244,749)	(244,749)	(244,749)	(244,749)
3	Removal of budgets associated with NNDR discretionary reliefs which are budgeted within the estimate of NNDR income	(158,541)	(158,541)	(158,541)	(158,541)	(158,541)
4	Reduction to external audit fees budget based on fee estimate from auditor	(32,555)	(32,555)	(32,555)	(32,555)	(32,555)
		(435,845)	(435,845)	(435,845)	(435,845)	(435,845)
HEALTH & HOUSING						
5	Revised housing benefit cost estimates have resulting in a reduction of related budgets	19,608	19,608	19,608	19,608	19,608
		19,608	19,608	19,608	19,608	19,608

Appendix A3

South Oxfordshire DC - 2013/14 other budget build changes

Ref:	Summary	Spending profile:				
		2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
HR, IT & CUSTOMER SERVICES						
6	Reduction in hidden pension costs budget in line with expected costs	(59,573)	(59,573)	(59,573)	(59,573)	(59,573)
7	Other minor changes	194	194	194	194	194
		(59,379)	(59,379)	(59,379)	(59,379)	(59,379)
LEGAL & DEMOCRATIC						
8	Reduction in CCTV costs	(7,300)	(7,300)	(7,300)	(7,300)	(7,300)
		(7,300)	(7,300)	(7,300)	(7,300)	(7,300)
TOTAL OTHER BUDGET BUILD CHANGES		(608,998)	(572,916)	(572,916)	(572,916)	(572,916)

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South Oxfordshire DC Service budget analysis 2013/14

Budget head	Final Budget £
Corporate management team	429,177
Corporate strategy	5,249,122
Economy leisure & property	922,141
Finance	2,326,335
Health & housing	1,756,266
Human resources, IT & customer services	1,590,624
Legal & democratic services	816,855
Planning	1,659,506
Fit for the future savings	(50,000)
Managed vacancy factor	(182,237)
Sub-total	14,517,789
Budget contingency	341,000
Net cost of delivering services	14,858,789
Net property income	(1,034,243)
Gross treasury income	(1,947,000)
Net expenditure	11,877,546
Government grant funding:	
Council tax freeze grant	(67,405)
Efficiency support for services in sparse areas	(19,456)
New Homes Bonus	(1,143,231)
Transfer to reserves	
New Homes Bonus	1,143,231
Revenue budget smoothing reserve	876,566
Funding from existing resources:	
Net use of interest	(296,000)
Enabling fund - one off growth	(651,900)
Revenue grants reserve	(34,728)
Total net revenue budget	11,684,623

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SOUTH OXFORDSHIRE DISTRICT COUNCIL
CAPITAL PROGRAMME TO 31 MARCH 2018 LAST UPDATED 30 JANUARY 2013

	Spend to 31/03/11 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
APPROVED PROGRAMME								
Corporate Management Team	877	2,122	1,647	1,675	0	0	0	0
Corporate Strategy	4,756	363	768	494	0	0	0	0
Economy, Leisure and Property	36,802	517	883	729	22	0	0	0
Finance	867	3	3	0	0	0	0	0
HR, IT and Customer Services	15	0	75	0	0	0	0	0
Housing and Health	5,046	995	1,445	1,307	845	845	845	845
Legal and Democratic Services	35	0	0	4	0	0	0	0
Planning	457	0	13	0	0	0	0	0
TOTAL APPROVED PROGRAMME	48,855	4,000	4,834	4,209	867	845	845	845
PROVISIONAL PROGRAMME		1,814	2,296	6,083	9,733	1,720	720	500
GRAND TOTAL	48,855	5,814	7,130	10,292	10,600	2,565	1,565	1,345

Cumulative Total Budget (Approved & Provisional)

33,497

CAPITAL FINANCING								
CIF interest - grants		750	344	0	0	0	0	0
CIF - usable capital receipts		0	60	5,040	8,900	1,000	0	0
New Homes Bonus		0	433	0	0	0	0	0
Usable capital / revenue reserves		2,935	5,630	3,302	1,198	1,085	1,085	865
Other		2,129	663	1,950	502	480	480	480
GRAND TOTAL		5,814	7,130	10,292	10,600	2,565	1,565	1,345

~~Appendix C~~
Appendix C NOTES

(1) The 2012/13 latest budget figures include:

- unspent provision carried forward from 2011/12;
- budget provision for schemes approved since the original budget was set; and
- transfers to 2013/14 where schemes are not expected to complete in 2012/13.

(2) RP = Rolling Programme

(3) DC = Developers Contributions

KEY TO PROJECT MANAGERS

AD Adrian Duffield

AWD Andrew Down

CT Chris Tyson

CK Clare Kingston

AR Anna Robinson

PS Paul Staines

MR Margaret Reed

WJ William Jacobs

Appendix C Corporate Management Team

Scheme	No.	Code	RP DC	Project Mgr	Approved Programme									
					Note	Scheme Total £'000	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Didcot Station Forecourt	207	A207		AR	(1)	812	0	812	437	375				
Growth Points	136	A136		AR	(2)	2,187	877	1,310	10	1,300				
Didcot land acquisition				AR	(3)	1,200	0	0	1,200					
						4,199	877	2,122	1,647	1,675	0	0	0	0

Notes

- (1) £812k transferred from provisional programme (cabinet 08/11/10)
- (2) £553k transferred from provisional programme (cabinet 01/05/08)
£400k added to budget, grant received from DCLG
£906k added to budget, grant received from DCLG
- (3) Subject to agreement by cabinet (14/02/13) and council (21/02/13)

**Appendix C
Corporate Strategy**

Scheme	No.	Code	RP DC	Project Mgr	Note	Approved Programme								
						Scheme Total £'000	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
CIF Grants														
Delegated Powers 2008/09	137	A167		CK	(1)	107	100		7					
Moulsford Parish Council	010	A182		CK	(3)	235	235		0					
Kidmore End Parish Council	010	A185		CK	(3)	200	192		8					
Thame Football Partnership	188	A188		CK	(4)	250	250		0					
All Saints PCC, Didcot	010	A201		CK	(5)	100	68		32					
Thomley Hall	010	A202		CK	(5)	100	100		0					
Didcot Town Council (skate park)	010	A203		CK	(5)	27	27		0					
Henley Baptist Church	010	A204		CK	(5)	100	93		7					
Great Milton Recreation Ground	010	A205		CK	(5)	62	62		0					
CIF Grants - 10/11 Delegated Powers	010	A199		CK	(5)	67	50		17					
Garsington Village Hall	010	A213		CK	(6)	60	45		15					
Goring Village Hall	010	A214		CK	(6)	55	50		5					
Wallingford Rowing Club	010	A215		CK	(6)	82	0	82	0	82				
Tetsworth Memorial Hall	010	A216		CK	(6)	82	0	82	82					
Wallingford Sports Trust	010	A217		CK	(6)	22	22		0					
South Stoke Parish Council	010	A219		CK	(6)	29	5		24					
Aston Rowant Parish Council	010	A220		CK	(6)	38	34		4					
CIF Grants - 11/12 Delegated Powers	010	A221		CK	(6)	99	18	86	81					
CIF grants - 12/13 Delegated Powers	010	A232		CK	(13)	474			62	412				
CIF Grants - 07/08 Delegated Powers	121	X192		CK		80	80		0					
Other Grants														
Cholsey Parish Council - NHB Grants	010	A218		CK	(14)	250	0	82	250					
Waste														
Green Waste Wheeled Bins	118	X173		CK	(7)	408	408		0					
Cigarette Litter Bins	139	A139		CK	(8)	10	7		3					
On Street Recycling Bins	140	A140		CK	(9)	20	9		11					
Waste Management Initiatives	068	A068		CK	(10)	2,608	2,524		84					
Open Spaces														
Ladygrove Loop	180	A180		CK	(11)	440	377	31	63					
Econsultation system	225	A225		CK	(12)	13			13					
						6,018	4,756	363	768	494	0	0	0	0

Appendix C

- (1) CIF projects agreed by cabinet 08/07/08.
- (3) CIF projects agreed by cabinet 02/07/09
- (4) Budget transferred from provisional programme (member decision 12/11/10)
- (5) CIF projects agreed by cabinet 08/04/10
- (6) CIF projects agreed by cabinet 24/06/11
- (7) £130k transferred from provisional programme (cabinet 2/3/05)
£58k transferred from provisional programme (member decision 31/10/08)
- (8) £10k transferred from provisional programme (member decision 07/11/08)
- (9) £20k transferred from provisional programme (member decision 21/04/11)
- (10) £2,550 transferred from provisional programme (member decision 27/04/09)
- (11) £440k transferred from Provisional Programme (cabinet 02/07/09)
- (12) £13k transferred from Provisional Programme (member decision 31/07/12)
- (13) £474k transferred from Provisional Programme (member decision 22/06/12)
- (14) £82k of CIF funding withdrawn. £250k NHB funding agreed by council 25/10/12

Appendix C Leisure and Property

Scheme	No.	Code	RP DC	Project Mgr	Note	Approved Programme								
						Scheme Total £'000	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Arts Development														
Didcot Arts Centre	026	X125		CT	(1)	8,081	8,041		40					
Public Art - Orchard Centre	126	X130		CT		75	7	54	28	40				
Economic Development														
C Henley Environmental Improvements	170	A170		CT	(6)	0	0		0					
Didcot Town Centre Redevelopment	004	X126		AR	(2)	21,495	21,348	95	0	147				
C Didcot Town Square	125	X128	DC	CT		316	316		0					
Land Drainage	036	X162	DC	CT	(7)	159	29	130	0	130				
Town Centre Initiatives	111	X197		CT	(5)	300	216	33	40	22	22			
Leisure														
Riverside Moorings	153	A153		CT		267	266		0	1				
Park Sports Centre Gym Equipment	154	A222		CT	(10)	376	19		339	18				
Thame Fitness Suite	223	A223		CT		30	4		26					
Riverside Water Feature	193	A224		CT	(19)	165	1		143	21				
Didcot Leisure Centre	227	A227		CT	(20)	60	0		20	40				
Thame LC	155	A155		CT	(11)	215	215		0					
Abbey Sports Centre Gym	169	A169		CT		130	130		0					
Carbon Management Programme	176	A176		CT	(8)	180	25		30	125				
Park & Thame LC Refurbishment	187	A187		CT	(12)	460	456		4					
Didcot ATP	191	A191		CT	(13)	6	3		3					
Leisure Centre - capital works	078	X155		CT		1,508	1,416		92					
Leisure Centre - design works	079	X156		CT		51	51		0					
Henley Leisure Centre Refurbishment	104	X157		CT	(9)	3,223	3,223		0					
Technical														
Didcot Broadway Car Parks	133	X194		CT	(16)	76	76		0					
Minor Land Drainage Schemes		X169		CT			3							
Housing Act Works Refurbishment	103	X170		CT	(14)	780	585	200	10	185				
Improvement to Public Conveniences		X177		CT	(15)	100	77	5	23					
Car Park Resurfacing & Improvement	142	A142		CT	(21)		48		62					
Flood Alleviation Schemes	143	A143		CT	(17)	270	247		23					
						38,323	36,802	517	883	729	22	0	0	0

Appendix C

- (1) Original budget £6320k
£132k budget transfer (cabinet 8/2/07)
£15k vired from revenue
£100k vired from Didcot Town Centre budget (X126)
- (2) Budget reduced and balances moved to 07/08
£300k transferred from provisional programme (cabinet 18/12/03)
£3,000k added to approved programme (urgent decision 21/06/07)
- (5) £22k moved from provisional programme (member decision 23/04/07)
£40k moved to Improvement to Public Conveniences - Environmental Services
£50k transferred from provisional programme (cabinet 03/06/10)
- (6) £4k transferred from provisional programme 13/02/09
- (7) These schemes will be funded from developers contributions, or expenditure may be limited to contributions available.
Budget reduced and balances moved to 07/08
- (8) £21k transferred from provisional programme (MD 25/09/09)
- (9) Separation of budget for Henley LC Refurbishment from Recreation Initiatives - see note (13)
£200k transferred from provisional programme (cabinet 03/08/06)
£15k added to approved programme (cabinet 03/08/06)
£375k transferred from provisional programme (cabinet 07/12/06)
£452k added to approved programme (council 14/12/06)
Budget reduced and balances moved to 07/08
£180k added to balance per cabinet report 6/9/07
- (10) £125 transferred from provisional programme (member decision 21/11/08)
- (11) £215k transferred from provisional programme (member Decision 10/10/08)
- (12) £50k transferred from provisional programme (MD 11/09/09)
- (13) £6k transferred from provisional programme (MD 04/03/11)
- (14) £400k transferred from provisional programme (cabinet 08/02/07)
£200k transferred from provisional programme (member decision 23/09/10)
- (15) £100k transferred from provisional programme (member decision 23/07/10)
- (16) £80k transferred from provisional programme (cabinet 05/07/07)
- (17) £95k transferred from provisional programme (member decision 07/11/08)
£20k grant for Tiddington scheme received and budget increased.
£10k received from EA
£23k received from EA
- (18) £440k transferred from Provisional Programme (cabinet 02/07/09)
- (19) £165 transferred from provisional programme (MD 13/01/12)
- (20) £60k transferred from provisional programme (cabinet 13/04/12)
- (21) £55k transferred from provisional programme (MD 30/11/12)

Appendix C

Scheme	No.	Code	RP DC	Project Mgr	Approved Programme									
					Note	Scheme Total £'000	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Financial Services Contract Fixed Asset System	119 190	X107 A190		WJ WJ	(1)	863 7	860 7	3	3 0					
						870	867	3	3	0	0	0	0	0

- (1) £839,445 transferred from provisional programme (cabinet 12/10/06)
Re-profiled costs to relevant years

Information Customer Services

Scheme	No.	Code	RP DC	Project Mgr	Note	Approved Programme								
						Scheme Total £'000	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Information and Communications Technology														
PCs - new and upgrades	016	X116	RP	AWD	(1)	N/A	N/A		17					
File servers, central h'ware, s'ware & equipment	017	X117	RP	AWD	(2)	N/A	N/A		0					
Desktop Software Upgrades	019	X119	RP	AWD	(3)	N/A	N/A		1					
Communications and Network Equipment	021	X121	RP	AWD		N/A	N/A		41					
E-Government Rolling Programme	023	X123	RP	AWD	(4)	N/A	N/A		11					
Upgrade GIS	088	A088		AWD		20	15		5					
						20	15	0	75	0	0	0	0	0

Notes

- (1) This provides for the replacement of PCs over a five year period.
£10k transferred from provisional programme (cabinet 07/12/06)
£20k transferred from provisional programme (member decision 04/01/08)
£72k transferred from provisional programme (member decision 14/11/08)
- (2) This provides for additions, upgrades and replacement of central servers and equipment, printers and scanners and central software.
£56,885 transferred from provisional programme (member decision 02/05/08)
£31k transferred from provisional programme (member decision 14/11/08)
- (3) This provision meets the cost of the progressive upgrade of software on personal computers used by the council.
£6k transferred from provisional programme (cabinet 1/6/06)
£23k transferred from provisional programme (cabinet 07/12/06)
- (4) Funding to meet ongoing e-government implementation and development staffing costs.
£38k transferred from provisional programme (cabinet 07/12/06)
£7k transferred from provisional programme (member decision 14/11/08)

Appendix G Housing

Scheme	No.	Code	RP DC	Project Mgr	Note	Approved Programme								
						Scheme Total £'000	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Private housing renovation														
Mandatory disabled facilities grants	011	X108	RP	PS	(1)	N/A	N/A	950	955	950	800	800	800	800
Discretionary assistance	012	X109	RP	PS		N/A	N/A	45	45	45	45	45	45	45
Social Housing Initiatives	057	X110		PS	(2)	5,620	4,883		425	312				
Empty Homes Initiatives	056	X111		PS	(3)	92	92		0					
Choice Based Lettings	129	A129		PS	(4)	51	51		0					
Environmental Services									0					
Berinsfield Sewer System	181	A181		PS	(5)	40	20		20					
						5,803	5,046	995	1,445	1,307	845	845	845	845

Notes

- (1) £300k increase approved by cabinet 04/10/03
£39k vired to CEM10023 (cabinet 03/08/06)
£209k moved to 2007/08
£85k vired to revenue to fund Choice Based Lettings (cabinet 4/10/07)
- (2) £2,000k moved from provisional programme. Split between 04/05 and 05/06 (cabinet 2/9/04).
£1,000 transferred from provisional programme (cabinet 03/08/06)
£540k transferred from provisional programme (cabinet 01/11/07)
£550k transferred from provisional programme (cabinet 08/07/10)
£275k transferred from provisional programme (MD 03/08/12)
- (3) £100k transferred from provisional programme (cabinet 7/4/05)
£100K moved to 07/08
Budget moved to 08/09
- (4) £52k transferred from provisional programme (member decision 20/12/07)
- (5) £40k transferred from provisional programme (member decision 01/06/09)

Appendix C Democratic Services

Scheme	No.	Code	RP DC	Project Mgr	Approved Programme									
					Note	Scheme Total £'000	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
CCTV Control Room Update	208	A208		MR	(3)	6	6		0					
DVR system	209	A209		MR	(1)	29	29		0					
Legal Case Management System	025	X124		MR	(2)	4	0		0	4				
						39	35	0	0	4	0	0	0	0

Notes

- (1) £29k transferred from provisional programme (member decision 17/06/11)
- (2) Purchase of software to enable the electoral register to be maintained in house - cabinet report 4 Apr 2002.
- (3) £6k transferred from provisional programme (MD 15.12.11)

Planning

Scheme	No.	Code	RP DC	Project Mgr	Approved Programme									
					Note	Scheme Total £'000	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
Planning Delivery Grant - capital works	112	X168		AD	(1)	465	457		8					
Wallingford Castle Restoration	230	A230		AD	(2)	5	0		5					
						470	457	0	13	0	0	0	0	0

Notes

- (1) £84k transferred from provisional programme (cabinet 01/06/06)
£35k added to approved programme (cabinet 01/06/06)
£25k added to approved programme (cabinet 06/07/06)
£240k transferred from provisional programme (cabinet 13/9/07)
- (2) £5k transferred from provisional programme (MD 04/05/12)

**Appendix G
Provisional Capital Programme**

Scheme	No.	RP DC	Project Mgr	Provisional Programme										
				Note	Date Added	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	
CORPORATE MANAGEMENT TEAM Didcot Station Forecourt	207		AR	(11)	10/11			0						
CORPORATE STRATEGY														
On Street Litter Bins for Recycling	140		CK	(2)	08/09		15	35						
Replacement Waste Containers	192		CK	(4)	10/11		63	63	63	63				
Carbon Management Programme	210		CK	(12)	11/12			0						
Ecoconsultation System	225		CK	(13)	12/13		13	0						
NHB Capital Grants	233		CK	(14)	12/13			183						
External Capital Grants	009, 010	RP	CK	(5)			500	0	500	500	500	500	500	500

Appendix G Provisional Capital Programme Continued

Scheme	No.	RP DC	Project Mgr	Provisional Programme									
				Note	Date Added	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000
ECONOMY, LEISURE & PROPERTY													
Wallingford cemetery - additional land	069		CT	(1)	-				35				
Car Park Resurfacing & Improvement	142		CT	(2)	08/09		55	0					
HAW Moulsoford	194		CT	(4)	10/11		20	20					
Ladygrove - land east of Abingdon Road	063	DC	CT	(8)	?		155	155					
Didcot Town Centre Development	150		CT	(2)	08/09			500					
Essential Capital Works at Leisure Centres	062	RP	CT	(2)	08/09			0					
Park / Thame Leisure Centres - capital investment	154		CT	(2)	08/09			250					
New Gym Equipment for Leisure Centres	155		CT	(2)	08/09			30					
Leisure Centres Essential Works	173		CT	(3)	09/10		160	160	200	200	220	220	
Carbon Management Programme	176		CT	(3)	09/10			0					
Didcot Artificial Turf Pitch (ATP)	191		CT	(4)	10/11			194					
Leisure Projects	193		CT	(4)	10/11			35					
FMP plot development	226		CT	(13)	12/13		80	80	40				
Didcot Leisure Centre	227		CT	(13)	12/13		100	40	5,000	8,900	1,000		
Building Emergency Fund	059		CT	(9)	-			45					

Appendix G Provisional Capital Programme Continued

Scheme	No.	RP DC	Project Mgr	Provisional Programme										
				Note	Date Added	Spend to 31/03/12 £'000	2012/13 Org Bud £'000	2012/13 Latest £'000	2013/14 £'000	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	
FINANCE														
Fixed Asset Register Software	190		WJ	(4)	10/11			13						
HR, IT AND CUSTOMER SERVICES														
Upgrade Geographical Information System	088	RP	AWD	(6)	05/06			0						
Rolling Programme			AWD		-			12						
Transforming the Website	178		AWD	(3)	09/10			8						
IT Investment Plan	211		AWD	(12)	11/12	65		65	145	70				
HOUSING AND HEALTH														
Social Housing Initiatives (Affordable Housing New Build)	057	RP	PS	(10)	04/05	550		160						
Contaminated land	212		PS		08/09			150	100					
Online Housing Advice	228		PS	(13)	12/13	25		25						
LEGAL AND DEMOCRATIC SERVICES														
On-Line Register of Electors Project	089		MR	(6)	05/06			22						
CCTV Control Room Upgrade	208		MR	(12)	11/12			0						
CCTV Control Room DVR System Upgrade	209		MR	(12)	11/12			6						
Case Management System	229		MR	(13)	12/13	8		8						
PLANNING														
Parking for Wallingford Cemetery & Castle Meadows	172		AD	(3)	09/10			37						
Wallingford Castle Restoration	230		AD	(13)	12/13	5		0						
							1,814	2,296	6,083	9,733	1,720	720	500	
											21,052			

Appendix C

- (1) Growth bid for preliminary works regarding the purchase of additional burial land to meet future needs.
- (2) Additions to capital programme approved by cabinet 08/02/08.
- (3) Addition to capital programme approved by cabinet 05/02/09
- (4) Additions to capital programme approved by cabinet 08/02/10
- (5) Capital Grants to be funded from the Community Investment Fund Part 1. External Grants Scheme established by cabinet 6/6/02.
- (6) Additions to capital programme approved by cabinet 10/02/05.
Scheme 084 budget removed - no longer required (06/01/09)
- (8) This land is to be acquired using the land equalisation fund (a Developers Contribution). Tentative estimates have been made for cycleways, open spaces and landscaping. No estimates have been made at this stage for drainage and play area works.
- (9) Emergency Building Fund set up to deal with unprogrammed works.
- (10) Growth bids approved by council on 24/2/04.
Additions to capital programme approved by cabinet 08/02/07.
- (11) Budget added to provisional programme
- (12) Additions to capital programme approved by cabinet 14/02/11
- (13) Additions to capital programme approved by cabinet 13/02/12
- (14) Addition to capital programme approved by council 25/10/12

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South Oxfordshire DC - 2013/14 capital growth bids

No	Title of bid	Summary	South only or joint bid?	CAPITAL SPEND					One-off or rolling	REVENUE CONSEQUENCES				
				Spending profile:						Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £		2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
CORPORATE MANAGEMENT TEAM														
SCMTCAP1	Town Centre Boost	A set of projects that together will make Didcot town centre more visually attractive to visitors, including better pedestrian flow around the town centre, improved access to information promoting facilities available within the centre, leading to higher spending, business confidence and private sector investment.	South	250,000	0	0	0	0	One-off	0	0	0	0	0
SCMTCAP2 (new)	Capital contingency	This contingency budget will be called upon when capital project ideas occur outside the normal budget build period. Calls upon this will be subject to the normal constitutional authorisation process, with items in excess of £100,000 going to full council for approval.	South	2,000,000	0	0	0	0	One-off	0	0	0	0	0
SCMTCAP3 (new)	New Homes Bonus	Under the council's interim New Homes Bonus policy, £433,000 of funding received to date was allocated to community led schemes in locations accommodating new housing. This bid is to provide a total of £500,000 to fund schemes coming forward in 2013/14, to be funded from further New Homes Bonus receipts	South	317,000	0	0	0	0	One-off	0	0	0	0	0
				2,567,000	0	0	0	0		0	0	0	0	0
CORPORATE STRATEGY & WASTE														
SCORCAP1	Community Investment Fund – Capital Grants	This bid is to increase the Community Investment Fund (CIF) capital grant budget by £500,000. There is currently a budget of £500,000 and this proposal would increase the grant budget to £1m.	South	500,000	500,000	500,000	500,000	500,000	Rolling	0	0	0	0	0
SCORCAP2	To upgrade one of Cornerstones disabled toilets to a Changing Places facility	Changing Places toilets are different to standard disabled toilets with extra features and more space. Standard disabled toilets do not meet the needs of all people with a disability – or their carers. People with profound and multiple learning disabilities, as well as other serious impairments such as spinal injuries or muscular dystrophy often need extra facilities to allow them to use the toilets comfortably.	South	8,000	0	0	0	0	One-off	170	170	170	170	170
SCORCAP3	Energy Grant Scheme/Fuel Poverty	An energy grants scheme focussed on those households in the district who are living in fuel poverty. The energy grant scheme the council provided would need to be worked through once the government's Green Deal scheme is fully in place and we are able to assess the full extent of the potential impact upon fuel poor households.	South	15,000	15,000	15,000	0	0	One-off	0	0	0	0	0
				523,000	515,000	515,000	500,000	500,000		170	170	170	170	170

South Oxfordshire DC - 2013/14 capital growth bids

No	Title of bid	Summary	South only or joint bid?	CAPITAL SPEND					One-off or rolling	REVENUE CONSEQUENCES				
				Spending profile:						Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £		2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
ECONOMY LEISURE AND PROPERTY														
SELPCAP1	Cornerstone's website	To bring Cornerstone's digital marketing strategy and platforms up to date: 1. Research to improve usability and interactivity 2. Website upgrade 3. Integration of Cornerstone's digital marketing tools 4. Training of staff on new website	South	31,500	0	0	0	0	One-off	1,800	1,800	1,800	1,800	1,800
SELPCAP2	Leisure centre essential works 2017/18	Essential capital maintenance works at the leisure centres for 2017/18. The funds will be used to maintain the physical condition of the facilities, including plant and equipment, to a standard that maintains customer satisfaction, usage and income.	South	0	0	0	0	220,000	Rolling	0	0	0	0	0
SELPCAP4	Refurbishment of changing facilities in the South Oxfordshire District Council offices	The current changing and shower facilities in the South offices (block D) are dated, shabby and of a low standard. Facilities have received complaints by members of staff about the poor state of the changing facilities. There is only one shower and changing area for both sexes. It would be possible to carry out some minor cosmetic changes in-house. However, what is proposed would be to have single sex facilities and changing rooms that are compliant with building regulations and include for use by disabled people.	South	25,000	0	0	0	0	One-off	0	0	0	0	0
SELPCAP5	Car park improvements	Five year programme 2013-2018 of resurfacing and relining of district car parks - this is a continuation of a current programme that has been running since 2008.	South	45,000	45,000	45,000	45,000	45,000	Rolling	0	0	0	0	0
SELPCAP6	Improvement to public conveniences in Greys Road and Station car parks, Henley	The current public conveniences in Greys Road car park and Station car park in Henley were built in the 1980s to an identical design. The design is robust, but the pans and doors are made of stainless steel and there are no seats on the pans. The floor is Terazzo (sealed sprinkles of granite/marble/quartz) and has ingrained dirt, which is very difficult to clean without damaging the floor itself. Overall, the toilets appear to be of a low standard. Henley Town Council is considering a refurbishment of the Mill Meadows toilets in 2013/14 and officers have contacted and agreed with the town council that some economies of scale could be made by having a contract to carry out improvement works on all three public conveniences at the same time.	South	100,000	0	0	0	0	One-off	0	0	0	0	0

South Oxfordshire DC - 2013/14 capital growth bids

No	Title of bid	Summary	South only or joint bid?	CAPITAL SPEND					One-off or rolling	REVENUE CONSEQUENCES				
				Spending profile:						Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £		2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
ECONOMY LEISURE AND PROPERTY (CONTINUED)														
SELPCAP7 (revised)	Town / larger village centre infrastructure	To work with town councils, parish councils and town partnerships to develop an action plan of physical town centre improvements needed in the towns of Henley, Thame, Wallingford and larger villages, alongside the existing annual economic development action plans for each town. This includes the creation of new seating areas, better signage and other enhancements to the public realm infrastructure. The creation of such infrastructure will help attract residents and visitors to the town centres, encouraging people to spend longer in the town centres and help improve the vitality of the town centres.	South	75,000	75,000	0	0	0	One-off	5,000	0	0	0	0
SELPCAP8 (revised)	Cornerstone capital works	Rolling programme of replacement and upgrade to essential infrastructure and operational kit at Cornerstone	South	60,000	25,000	25,000	25,000	25,000	Rolling	0	0	0	0	0
SELPCAP9	External signage and advertising for Cornerstone	To plan and install external signage and advertising to improve awareness of Cornerstone and its programme and wayfinding to the venue	South	18,350	0	0	0	0	One-off	0	0	0	0	0
SELPCAP10	Enhancement to café bar at Cornerstone	The cafe bar is situated on the lower ground floor of the venue, opening out onto the town square opposite the cinema. The café bar is run as a concession under contract to the council and to date two different companies have managed it consecutively. As Didcot expands even further with the development of Phase 2 of the shopping centre and 300 new dwellings at Great Western Park one mile away, it will be even more important for the café bar at Cornerstone to be able to service the town and its social needs. Working with the current café bar operators and a design company we propose investment in infrastructure to increase presence, attractiveness and comfort and, therefore, increase footfall, dwell time, spend and income.	South	74,100	0	0	0	0	One-off	(1,000)	(3,500)	(7,500)	0	0
SELPCAP12	New entrance to Riverside Park, Crowmarsh Gifford	The developer (Croudace) of the new houses on the Lister Wilder site in The Street, Crowmarsh Gifford, has provided the council with a sum of £61,000 under a section 106 agreement. This developer contribution is to provide for a new link road through the development to Riverside car park, pool, splash park and campsite. s106 funding	South	61,000 (61,000)	0	0	0	0	One off (Section 106 funded)	0	0	0	0	0

South Oxfordshire DC - 2013/14 capital growth bids

No	Title of bid	Summary	South only or joint bid?	CAPITAL SPEND					One-off or rolling	REVENUE CONSEQUENCES				
				Spending profile:						Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £		2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
ECONOMY LEISURE AND PROPERTY (CONTINUED)														
SELPCAP13 (new)	EA FDGiA grant for flood alleviation at Wheatley	The Environment Agency is encouraging local authorities to make requests for bids to spend on flood alleviation schemes. A number of properties in Wheatley were affected by flooding in July 2012 and again in November. Officers are due to make an application to the EA for £70,000 of funding. It may be, under Partnership Funding arrangements that the EA request match funding. We are unsure how much money we will be awarded, if any. In order to allow officers to spend the money, if the application is successful, then £70,000 needs to be in the approved budget.	South	70,000	0	0	0	0	One-off	0	0	0	0	0
SELPCAP14 (new)	Public art at Chinnor cement works	£24,800 has already been received from s106 developer contributions for public art at Chinnor cement works. We wish to include these monies in the approved capital programme in order to secure approval to spend th monies on the public art project. Over the course of the development build we anticipate receiving some £56,500 in total, which will be paid to the council in staged payments. Section 106 funding	South	24,800 (24,800)	0	0	0	0	One-off (Section 106 funded)	0	0	0	0	0
JELPCAP1 (new)	Public art at Great Western Park	Some £76,480 has already been received from s106 developer contributions for public art at Great Western Park. Some of this funding has already been spent, with Cabinet member approval, on consultant's fees researching and producing the strategy. The developers contributions are held by SODC as the accountable body, although some of the monies relate to the VWHDC, since the development straddles the dsitric boundary. We wish to include the remaining funding in the approved capital programmes in order to secure authorisation to spend the monies in line with the recommendations set out in the councils' adopted Great Western Park public art strategy. Section 106 funding:	Joint	13,970 (13,970)	13,960 (13,960)	0	0	0	One-off (Section 106 funded)	0	0	0	0	0
SELPCAP15 (new)	Improvements to car park pay stations and new 'pay and display' machines	Officers have identified an opportunity to help improve the user experience of our car parks by investing in improvements to the car park furniture and environment. The most costly aspect of this is replacing the current 'pay and display' machines and improving the appearance of the pay stations overall. There are a total of 27 ticket machines, which vary in age and usage, but all are at least four years old. It would be an option for new machines to produce tickets that require vehicle registration plate details and/or the ability to pay using new technology like 'chip and pin'. Added to this would be improved safety barriers and ground markings at the pay stations.	South	95,000	0	0	0	0	One-off	0	0	0	0	0

South Oxfordshire DC - 2013/14 capital growth bids

No	Title of bid	Summary	South only or joint bid?	CAPITAL SPEND					One-off or rolling	REVENUE CONSEQUENCES				
				Spending profile:						Spending profile:				
				2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £		2013/14 £	2014/15 £	2015/16 £	2016/17 £	2017/18 £
ECONOMY LEISURE AND PROPERTY (CONTINUED)														
SELPCAP16 (new)	Broadband fund	The council's corporate plan for 2012-2016 sets out the council's corporate priority to "work with partners to improve broadband services across the district". There are significant issues with the coverage, availability and speed of broadband provision in South Oxfordshire affecting residents and businesses. The purpose of creating this fund is to provide a provisional capital budget for a two years to enable the council to be in a position to support improvements to broadband coverage across the district.	South	500,000	500,000	0	0	0	One-off	0	0	0	0	0
				1,093,950	645,000	70,000	70,000	290,000		5,800	(1,700)	(5,700)	1,800	1,800
HR, IT& CUSTOMER SERVICES														
JHICCAP1	IT infrastructure	The IT infrastructure for both councils is rapidly approaching its end of life. A review has been carried out as part of the Fit For The Future programme, and our consultant partners have recommended a series of actions. At present the programme is only costed at a very high level, broken into six elements totalling £905,000 although some funds already exist in the programme.	Joint	215,000	35,000	0	0	0	One-off	4,200	1,800	1,800	1,800	1,800
				215,000	35,000	0	0	0		4,200	1,800	1,800	1,800	1,800
HEALTH AND HOUSING														
JHAHCAP1	Implementation of new Housing Allocations Policy	Both councils are currently reviewing their Allocations Policies in response to the Localism Act. New policies will be agreed late 2012/ early 2013. The ICT provider cannot provide definitive costings until the Allocations Policies are approved by Council. However they have provided indicative costings, which are in the region of £13,000 per authority. There will also be a need to re-canvass all applicants which will cost approximately £2,000. Total bid of £15k per authority	Joint	13,000	0	0	0	0	One-off	2,000	0	0	0	0
SHAHCAP3	Local Authority Mortgage Scheme (LAMS)	This scheme provides competitive mortgages for local first time buyers and the councils finances are used as a security against potential loss upon sale. Whilst the council's money is held as security interest is earned.	South	1,000,000	0	0	0	0	One-off	0	0	0	0	0
				1,013,000	0	0	0	0		2,000	0	0	0	0
GRAND TOTAL				5,411,950	1,195,000	585,000	570,000	790,000		12,170	270	(3,730)	3,770	3,770

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Appendix E

Financing of capital programme and growth proposals

	2012/13 £000	2013/14 £000	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
Capital programme before growth						
- approved	4,834	4,209	867	845	845	845
- provisional	2,296	6,083	9,733	1,720	720	500
	7,130	10,292	10,600	2,565	1,565	1,345
Cabinet capital growth proposals	0	5,412	1,195	585	570	790
Total expenditure	7,130	15,704	11,795	3,150	2,135	2,135
Financing						
CIF interest - grants	344	0	0	0	0	0
CIF - usable capital receipts	60	5,040	8,900	1,000	0	0
New Homes Bonus	433	317	0	0	0	0
Usable capital / revenue reserves	5,630	8,397	2,415	1,670	1,655	1,655
Other	663	1,950	480	480	480	480
Total financing	7,130	15,704	11,795	3,150	2,135	2,135
Estimated balances as at 31 March 2018		£000				
Community investment fund		48,906				
Enabling fund		3,813				
Unallocated capital receipts		200				

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Prudential indicators

1 Affordability

1.1 Ratio of financing costs to net revenue stream

These indicators compare the net interest payable less investment income receivable to the overall net revenue spending of the council. Because the council has a high level of investment income and no long term borrowing this indicator is negative.

Indicator A-1	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
Ratio of financing costs to net revenue stream	actual	estimate	estimate	estimate	estimate	estimate
Non – HRA	(16.2%)	(12.4%)	(14.0%)	(15.5%)	(18.1%)	(18.5%)

Even though this indicator is negative it is still important for the council as it shows a gradual increase over the period. This is due to the expected slow rise in interest rates, which will impact on the investment income earned by the council, and the expected fall in the council's net revenue spending as government grant income falls.

The key point to note for this authority is that in the Medium Term Financial Plan (MTFP) the council will be using the projected increase in investment income to help mitigate the effects of the reduction in government grant income over this period.

1.2 Estimated incremental impact of capital investment decisions on the council tax

This indicator estimates the incremental impact of capital investment decisions on the council tax by comparing the likely council tax based on the current capital programme and the likely council tax based on the proposed capital programme.

Indicator A-2	2013/14	2014/15	2015/16	2016/17	2017/18
Incremental impact of capital investment decisions on council tax	estimate	estimate	estimate	estimate	estimate
	£	£	£	£	£
Band D council tax	2.06	0.51	0.28	0.32	0.44

This demonstrates the potential increase in band D council tax if this was viewed in isolation. However the MTFP shows that the capital expenditure proposals, when viewed alongside the revenue proposals, are sustainable over the medium term, in accordance with the assumptions included in the MTFP.

2 Prudence

2.1 Net borrowing and the capital financing requirement

It is prudent to ensure that borrowing is only used to fund capital (as opposed to revenue) expenditure. The indicator to measure whether this is achieved is to demonstrate that net external borrowing does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years. For this council this means that the value of investments should be equal to or higher than the capital financing requirement.

Indicator P-1	2012/13 estimate £000	2013/14 estimate £000	2014/15 estimate £000	2015/16 estimate £000	2016/17 estimate £000
Capital financing requirement	0	0	0	0	0
Average level of investments	115,500	97,337	92,904	89,380	85,303

The head of finance reports that the authority had no difficulty meeting this requirement in 2011/12, nor are there any difficulties envisaged for the current or future years. This view takes into account current commitments, existing plans, and the proposals in the 2013/14 budget.

3 Capital expenditure

3.1 Capital expenditure

The first indicator shows the total capital expenditure plans of the council's approved plus provisional programme.

Indicator C-1	2013/14 estimate £000	2014/15 estimate £000	2015/16 estimate £000	2016/17 estimate £000	2017/18 estimate £000
Estimates of capital expenditure					
Approved programme	4,209	867	845	845	845
Provisional programme	11,495	10,928	2,305	1,290	1,290
TOTAL	15,704	11,795	3,150	2,135	2,135

The second indicator records actual capital expenditure for the previous financial year.

Indicator C-2	2011/12 estimate £000	2011/12 actual £000
Actual capital expenditure		
Approved programme	4,539	2,863
Provisional programme	1,638	0
TOTAL	6,177	2,863

3.2 Borrowing need

This indicator reflects the authority's underlying need to borrow for a capital purpose, its Capital Financing Requirement (CFR). This borrowing may not need to take place externally, and the council may judge it prudent to make use of cash that it has already invested for long term purposes.

Indicator C-3	31/3/2012	31/3/2013	31/3/2014	31/3/2015	31/3/2016	31/3/2017
	estimate	estimate	estimate	estimate	estimate	estimate
	£000	£000	£000	£000	£000	£000
Estimate of capital financing requirement						
Non-HRA	0	0	0	0	0	0
Estimate of movement in year						
Non-HRA	0	0	0	0	0	0

The capital financing requirement as at 31 March each year is derived from specific balances within the balance sheet, and adjustments are made for capital expenditure, and the resources applied to finance the expenditure. As all the authority's capital expenditure is resourced immediately from capital receipts, reserves, grants, contributions and directly from revenue, the CFR remains constant throughout.

The actual CFR for 31 March 2012 is shown below.

Indicator C-4	31/3/2012
	actual
	£000
Actual capital financing requirement	
Non-HRA	0
Actual movement in year	
Non-HRA	0

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Medium Term Financial Plan to 2017/18 Appendix G

	A	H	I	J	K	L
1	South Oxfordshire DC	Budget	Indicative	Indicative	Indicative	Indicative
2		2013/14	2014/15	2015/16	2016/17	2017/18
3		£000	£000	£000	£000	£000
4	Base budget					
5	Corporate management	391	391	391	391	391
6	Corporate strategy	5,364	5,364	5,364	5,364	5,364
7	Economy, leisure and property	995	995	995	995	995
8	Finance	2,593	2,593	2,593	2,593	2,593
9	Housing and health	1,654	1,654	1,654	1,654	1,654
10	HR, IT, customer	1,648	1,648	1,648	1,648	1,648
11	Legal and democratic	819	819	819	819	819
12	Planning	1,559	1,559	1,559	1,559	1,559
13	Contingency	333	333	333	333	333
14	Total base budget	15,355	15,355	15,355	15,355	15,355
15	Revisions to base budget					
16	Opening budget adjustments	(470)	(582)	(594)	(594)	(594)
17	Inflation, salary increments and adjustments	233	623	1,021	1,427	1,841
18	Essential growth - one-off	109	59	59	59	59
19	Essential growth - ongoing	224	224	224	224	224
20	Base budget savings	(293)	(293)	(293)	(293)	(293)
21	Managed vacancy factor	(182)	(186)	(190)	(193)	(197)
22	Fit for the Future savings	(50)	(200)	(200)	(200)	(200)
23	Total revised base budget	14,927	15,001	15,383	15,785	16,195
24	Growth, savings and other budget adjustments					
26	Growth proposals					
27	Revenue - one-off	472	98	88	31	0
28	Revenue - ongoing	57	57	57	57	57
29	Capital (revenue consequences of)	12	0	(4)	4	4
30	Other budget changes post Scrutiny committee	(609)	(573)	(573)	(573)	(573)
31	Future pressures	0	200	550	600	800
32	Net cost of services	14,859	14,783	15,501	15,904	16,483
33	Net property income	(1,034)	(1,034)	(1,034)	(1,034)	(1,034)
34	Gross treasury income	(1,947)	(2,090)	(2,235)	(2,559)	(2,559)
35	Net expenditure	11,878	11,660	12,232	12,311	12,890
36	New Homes Bonus	(1,143)	(1,545)	(2,101)	(2,782)	(3,319)
37	CT freeze grant 2013/14 tranche	(67)	(67)	0	0	0
38	Efficiency support for services in rural areas	(19)	0	0	0	0
39	Transfers to / from earmarked reserves	161	1,796	2,231	3,291	3,534
40	Amount to be financed	10,808	11,843	12,362	12,819	13,105
41	Financing					
42	Revenue support grant	(3,421)	(2,623)	(2,079)	(1,674)	(1,214)
43	Business rates retention scheme	(2,276)	(2,345)	(2,392)	(2,440)	(2,489)
44	Total start-up funding allocation	(5,696)	(4,969)	(4,472)	(4,114)	(3,702)
45	Less - Parish share of council tax support grant	246	101	103	105	107
46	+ / - estimated NNDR over/under baseline	171	176	179	183	187
47	Collection fund surplus/deficit	(217)	(100)	(100)	(100)	(100)
48	Council tax requirement before use of reserves	5,311	7,052	8,073	8,894	9,597
49	Use of reserves to balance budget	(877)	989	2,132	2,923	3,597
50	Council tax requirement after use of reserves	6,188	6,063	5,941	5,971	6,001
51	Tax base	52,607.0	52,870.0	53,134.4	53,400.1	53,667.1
52	Band D Council tax	117.62	114.68	111.81	111.81	111.81
53	Cumulative use of reserves (total row 47)	(877)	112	2,244	5,167	8,764
55						
56	Projected revenue balances at year end:					
57	General fund balance					
58	Enabling fund	13,282	11,385	10,126	8,865	3,813
59	Other (held for long term investment)	11,359	11,359	11,359	11,359	11,359
60	Earmarked revenue reserves					
61	New Homes Bonus	1,260	2,805	4,906	7,688	11,007
62	Other	5,877	4,853	2,686	138	103

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Appendix H

Report of the chief financial officer on the robustness of the budget estimates and the adequacy of the reserves.

1. Section 25 of the Local Government Act 2003 places a duty on the chief finance officer (at this council the strategic director and chief finance officer) to make a report to the council on the robustness of the estimates and the adequacy of the reserves. This report fulfils this requirement and provides councillors with assurance that the budgets have been compiled appropriately and that the level of reserves is adequate. It is a statutory requirement that councillors must consider this report when considering and approving a budget.
2. In presenting this report the strategic director and chief finance officer is mindful of other associated statutory safeguards designed to prevent the authority from over-committing itself financially, namely:
 - Section 151 of the Local Government Act 1972 which requires the authority to make arrangements for the proper administration of its financial affairs and that the strategic director and chief financial officer has personal responsibility for such administration;
 - Section 32, 43 & 93 of the Local Government Finance Act 1992 which requires the authority to set a balanced budget;
 - The Prudential Code introduced as part of the Local Government Act 2003 sets out the framework within which the authority must manage its investments, including adequate planning and budget estimates;
 - the external auditor's duty to assess the adequacy of the authority's proper arrangements to secure economy, efficiency and effectiveness ('value for money').
3. To reinforce these obligations, section 114 of the Local Government Finance Act 1988 requires the strategic director and chief finance officer to report to all the authority's councillors, in consultation with the monitoring officer, if there is or is likely to be unlawful expenditure or an unbalanced budget.

Robustness of the budget estimates

PREPARATION, REVIEW & SCRUTINY

4. In accordance with best practice and using accruals accounting, the council provides for realistic estimates of costs and known liabilities.
5. The detailed budget estimates have been prepared jointly by the heads of service and appropriately qualified staff from the council's financial services team. These have been reviewed and challenged by the shared accountancy managers, the head of finance, and the council's management team.
6. The 2013/14 budget update report presented to the scrutiny committee on 15 January 2013 provided a detailed explanation of the factors taken into account in determining the base budgets.

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REVENUE BUDGET

7. The most significant costs within the revenue budget are:
 - staff salaries and related costs
 - payments under contracts for services
 - housing benefit payments.
8. The estimates of staff costs are prepared by calculating the cost of employing each member of staff for the full year. The budget also includes the costs of recruiting to posts that are currently vacant, unless it has been decided that the post will not be filled. The costs include incremental progression and an allowance for the cost of any locally agreed pay award. All of these are known when the budgets are set.
9. The risk of overspending on staff costs is therefore considered negligible. The risk of under-spending on staff costs is high and this year, the council's policy has been to budget at 98 per cent of the expected salary level.
10. The costs of the most significant council contracts are linked to increases in the various price indices, usually the Retail Prices Index (RPI). The applicable RPI is known when the budgets are set and the budget reflects any estimated contract inflation. Allowance has also been made within the budget for additional costs arising from increased demand for services (e.g. additional properties leading to increased waste collection costs).
11. The risk of overspending on contract costs is therefore considered small. There remains a financial risk from a contractor failing to deliver services in accordance with the contract. Such risks are managed through the council's contract monitoring and risk management procedures, but cannot be eliminated.
12. The cost of housing benefit is largely met through government subsidy. The financial risk to the council should this cost increase significantly is small, because a very high percentage of the cost is met by the subsidy.
13. The level of local authority benefit errors has caused a loss in subsidy which has so far been reimbursed by the financial services contractor. The error rate has in the level of local authority errors has fallen recently thanks to active management by officers of the council and the financial services contractor; the level of local authority errors in the latest grant subsidy claim for 2011/12 is safely below the government's threshold. The risk of any cost falling on the council is therefore low and continues to be mitigated by close contract management.
14. The government has reformed council tax benefit, which becomes a local 'council tax reduction scheme' (CTRS) from April 2013. This change has resulted in immediate extra cost pressures for the council which has been factored into the proposed budget. The change also transfer the financial risk (and reward) from central government to the council for any significant changes in the numbers of residents claiming CTRS. We will closely monitor caseloads to assess any significant financial variation.
15. The areas of expenditure where there is a greater level of risk are within the demand led budgets such as the costs of homelessness (including temporary

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accommodation). Experience of demand in the current and recent years has been used to inform the 2013/14 budget.

16. However, these form a relatively small part of the council's gross revenue expenditure and heads of service manage these risks through monitoring activity and the performance management and budget monitoring processes.
17. As part of the budget setting process consideration has been given to income streams which could change as a result of recent and pending legislation. These include:
 - council tax freeze grant. Details regarding the council tax freeze grant for both 2011/12 (four years), and 2013/14 (two years) (note that: 2012/13 was one year only) have been clarified and these have been included in the budget;
 - New Homes Bonus (NHB). The council has had confirmation of the first three tranches of NHB; these figures are provided by the Department of Communities and Local Government (CLG) and they have been included in the budget, and transferred to reserves in 2013/14. Future year figures are based on the best estimates of council officers and therefore, whilst every care has been taken in preparing these figures, they can only be considered as estimates.
 - The government's Comprehensive Spending Review (CSR) in 2010 indicated that later tranches of NHB would be funded from reductions in formula grant – the MTFP includes significant estimated reductions in formula grant in future years;
 - planning fees – full cost recovery. Legislation allowing the council to set its own planning fees in order to recover the costs of the planning service (within certain limitations), has been further delayed. It is possible that it will be implemented in 2013/14, but this is not certain. Therefore no significant increase in planning fee income has been included in the budget except for the 15 per cent national increase in planning fees which the government introduced in late 2012/13.

This means that no significant optimism or estimation risk has been built into the 2013/14 budget. There is however greater risk for the Medium Term Financial Plan (MTFP) viability, should any of the government grants alter significantly – however this level of risk is considered acceptable in the light of known factors.

18. A number of revenue income streams are sensitive to changes in market conditions and therefore there will always be a risk that budget targets are not met. These include planning fees, building control fees, and land charge fees which all respond directly to the fluctuating characteristics of the housing market. Car parking income can also be volatile and responds to the general economy and retail market. Previous budget-setting exercises have made adjustments to reflect prevailing market conditions. Further adjustments have been made for 2013/14 refining budgets in light of actual patterns.
19. In order to minimise the risk of budgeted income not being achieved, the council takes a prudent approach when calculating the revenue income budgets and debts due and makes appropriate provisions for bad debts.

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INVESTMENT INCOME

20. The council has a substantial investment portfolio which it partially relies upon to support the cost of services. The council is very sensitive to changes in investment income. The continuing impact of the low interest rates, and the predicted slow rise, have been factored in to the MTFP reported as part of the budget setting report.
21. Investments have been diversified in accordance with the treasury management strategy, and the earnings assumptions in the budget are set prudently. Investment income is not committed until the year after it is earned. There is therefore certainty about the amount available when the budgets are set.

REVENUE CONTINGENCY SUM & OVERALL REVENUE BUDGET

22. The 2013/14 budget includes a general contingency sum of £300,000 as well as a contract bonus payment contingency of £82,500. This is considered a prudent amount to cover unforeseen circumstances and the inevitable uncertainty within the budget.
23. Because of the prudent approach to budgeting outlined above it is considered that the risk of overspending on the revenue budget is small. Should this occur the council has adequate revenue reserves to cover such additional costs. Longer term pressures would mean the MTFP would have to be reviewed.

FUNDING FROM CENTRAL GOVERNMENT

24. The revenue financial projections for future years included in the MTFP show budget pressures emerging across the next five years and beyond. A major factor in this is the predicted reduction in central government funding. On 19 December 2012, the provisional settlement provided a two-year funding projection for 2013/14 and 2014/15. The 2013/14 settlement was finalised on 4 February 2013 with negligible changes – 2014/15 remains provisional. Future years have had to be based on prudent estimates for 2015/16 – 2017/18. There is a risk that the assumptions are proven to be under-estimated, in which case the council's revenue reserves are considered adequate to compensate. Furthermore, savings from the council's Fit for the Future (FFTF) programme and savings schemes will help to combat reduced funding, but the council may still need to draw heavily on its revenue balances to cover any funding deficit
25. From 2013/14, the government has changed the National Non-Domestic Rates (NNDR) system which previously made up the majority of our formula grant when it was redistributed by the government. These changes are based on the council's estimated levels of local business rates due, and then (in the case of this council) a tariff is paid to central government. The government sets a retention level that the council is allowed to keep. If the business rates due is higher than our retention level, any surpluses are distributed to central government, the county council and the district. If the amount due falls below our retention level 40 per cent of the deficit is borne by the council, however a safety net cuts in at 92.5 per cent and it is estimated that the council will be below this safety net for some years. As such the level of business rate funding in the MTFP is estimated to be at 92.5 per cent of the retention level set by government.

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26. There is a risk that the assumptions about government grant reductions are proven to be under-estimated, in which case the council's revenue reserves are considered adequate to compensate until the MTFP can be reviewed. Additionally further FFTF savings and other savings schemes will help to offset reduced funding, but the council may still need to temporarily draw on its revenue balances to cover any funding deficit.

CAPITAL PROGRAMME

27. Over recent years the council has adopted a more rigorous approach to the preparation of its capital programme. The split into an approved programme and a provisional programme is made to give greater certainty of costs and timescales before a final commitment is made. This requires a detailed appraisal to be agreed by the relevant cabinet member before expenditure is committed. The council has implemented a project management system that is used to manage capital schemes. These measures reduce the risks of both overspends and slippage in the programme
28. For major projects the council engages skilled advisors to assist it. While these measures can reduce and manage risks, by their nature some capital schemes will still contain significant financial risks. This is particularly the case with major redevelopments where the council has chosen to be an active partner, sharing both risks and rewards.
29. In the capital programme recommended to the cabinet, allowance has been made for works considered necessary to the council's land and property assets including, in the case of leisure centres, those needed in order to maintain the facilities and retain customers.
30. In estimating additional capital receipts a view has been taken of the income to be obtained from future asset disposals.
31. The council has sufficient capital contingency and capital reserves to meet any potential capital overspends. While the use of these reserves would reduce the interest income earned, the impact would not be significant. The income is not committed until it has been earned.

MEDIUM TERM FINANCIAL PLAN

32. The 2013/14 budget update report presented to the scrutiny committee on 15 January 2013 included a draft MTFP. An updated version of this has been included in the budget report taking account of all budget changes since that date. The plan sets out provisional revenue spending plans and the estimated use of reserves through to 2017/18.

PRUDENTIAL INDICATORS

33. The prudential code requires the calculation of a number of prudential indicators, which measure the sustainability of the council's medium term financial strategy, explicitly with regard to affordability, prudence, value for money, stewardship, service objectives and practicality. This is backed up by a specific requirement to monitor performance against forward-looking indicators and report and act on significant deviations.

BUDGET MONITORING

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34. The council has a budget monitoring process for both its revenue budget and capital programme. System reports are produced monthly for heads of service, management team and the cabinet member for finance. Reports are considered by cabinet briefing three times per year.

RISK MANAGEMENT & INSURANCE

35. We adopted a risk management strategy in July 2005. Management Team regularly revises the corporate risk register in light of changing conditions. Service teams have taken account of the risk management work in their service plans for 2012/13 and will review their risk management plans before finalising their 2013/14 service plans. In 2006 we worked with Garrison Security to prepare business continuity plans, which are now in place.

36. In addition to the various mitigation measures outlined above, certain financial risks are mitigated by the council's insurance arrangements which are reviewed annually.

37. The main risks inherent in the council's MTFP are:

- government grant funding being less than estimated;
- further reductions in council tax in 2016/17 and 2017/18;
- substantial increases in council tax reduction scheme caseload and costs;
- macro-economic deterioration, such as slower interest rate rises, higher inflationary pressures and slower housing growth.

There are sufficient usable revenue balances and New Homes Bonus income to compensate for costs arising over the medium term should the above risks materialise.

Adequacy of reserves

38. The Chartered Institute of Public Finance and Accountancy (CIPFA) has issued guidance on local authority reserves and balances in Local Authority Accounting Panel (LAAP) bulletin 55. It sets out the three main purposes for which reserves can be held:

- a working balance to help cushion the impact of uneven cash flows and avoid unnecessary temporary borrowing – which forms part of general reserves;
- a contingency to cushion the impact of unexpected events or emergencies – also part of general reserves;
- a means of building up funds often referred to as earmarked reserves, to meet known or predicted liabilities.

39. The council held £750,000 in a general surplus and deficiency reserve as at 1 April 2012 and intends to maintain this level. This is approximately six per cent of the annual budget requirement and is likely to be sufficient to cover uneven cash flow and all but the most serious emergency. In addition, the recommended revenue budget contains an adequate contingency sum to cover unanticipated costs.

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40. The council held £42.4 million in revenue fund reserves as at 1 April 2012. In addition there is a revenue reserve of £10.6 million which forms part of the Community Investment Fund (CIF). Revenue fund reserves are estimated to fall to £26.3 million by 31 March 2018 after taking into account committed expenditure and future income, which includes unallocated new homes bonus receipts of £11 million.
41. At the end of 2017/18 it is estimated that the unallocated element of revenue reserve balances known as the enabling fund (£16.3 million as at 1 April 2012) will be £3.8 million and unallocated capital resources will be reduced to £0.2 million.
42. Finally the council has unapplied capital receipts of £35.8million at 1 April 2012 which form part of the CIF. The capital scheme for the new leisure centre in Didcot, estimated to cost £15 million, is proposed to be funded from these receipts.

Conclusion

43. The budget estimates have been prepared following a properly controlled and professionally supported process. They have been subject to due consideration and the identifiable risks should be capable of management.
44. Overall, the level of reserves is adequate in relation to the proposed revenue budget and capital programme and the budgets are sustainable.
45. The reserves earmarked within the CIF are not reduced other than by the sums already earmarked. The income earned on these reserves is therefore a sustainable source of funds for the council.

Steve Bishop (Strategic director and chief finance officer)

8 February 2013

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Scrutiny Committee Report



Report of Head of Health and Housing

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To: Scrutiny Committee

DATE: 19 February 2013

Review of the council's housing allocations policy

Recommendation

Scrutiny committee is asked to consider the proposed amendments to the housing allocations policy as set out in this report, and to submit the views of the committee to cabinet for consideration prior to its adoption of a revised allocations policy.

Purpose of Report

1. The council is currently consulting on proposed amendments to its housing allocations policy. These proposals reflect the ability to give local priority to key issues allowed in the Localism Act. The consultation runs until the 1 March 2013.
2. Following consideration of consultation responses and the views of the Scrutiny Committee a revised Housing Allocations Policy will be submitted to cabinet for final approval.
3. This report invites the scrutiny committee to consider those proposals and submit its views for consideration in the shaping of the final proposals for cabinet.

Strategic Objectives

4. This report relates to the strategic objective of meeting housing need.

Background

5. The Housing Allocations Policy is a key policy for the council. This is because housing underpins many of the social and economic ambitions the councils have for their districts and consequently a policy that supports these ambitions is essential.
6. The principal legislative requirement for the allocation of housing is contained in the 1996 Housing Act. This requires that councils give what's called reasonable preference to people in housing need and defines what constitutes need.
7. The councils' current policy adheres to this requirement and within that focuses upon the prevention of homelessness. The success of the current policy has resulted in a significant fall in homelessness and consequently a reduction in expenditure on temporary accommodation.
8. Although the Localism Act has introduced new flexibilities for councils when allocating housing it has not removed the primary legislative requirement to offer reasonable preference to those in housing need. For this reason, coupled with the fact that the focus upon homeless prevention has had significant benefits for both homeless people and the councils, officers are recommending that this primary objective remains the focus of the new policy.
9. Maintaining this focus should ensure that homelessness continues to be minimised but will inevitably limit the impact of changes to the allocations policy, since the bulk of properties available will still be required to prevent homelessness.
10. Notwithstanding these limitations officers believe that the councils can address other priorities within the new policy. In consultation with cabinet members for Health and Housing officers recommend that priority be given to:
 - working people who contribute to the growth of the local economy;
 - local people seeking to access housing in their particular parish;
 - foster carers.
11. In addition officers also recommend:
 - the introduction of exclusions from the register for certain classes of applicant;
 - the adoption of the new Bedroom Standard to align the allocations policy to the new housing benefit regulations;
 - the introduction of penalties for applicants refusing a reasonable offer of accommodation.
12. Each of these is discussed in detail below

Working people who contribute to the growth of the local economy

SUMMARY OF CHANGES

13. The new Allocations Code of Guidance encourages councils to consider using the Housing Allocations Policy as a tool to encourage people into work.
14. It is proposed that the new policy will offer priority to working applicants over non working applicants who are in equivalent need on the Registers.
15. However, because legislation still requires that our policy offers reasonable preference to those in housing need, officers advise that to apply this proposal for all properties would be in breach of the legislation and could be subject to challenge.
16. Notwithstanding this however the Code of Guidance and recent case law leads officers to conclude that prioritising applicants in work is within the new guidelines as long as it does not dominate the policy. Officers therefore suggest a starting point of 20% of annual nominations with the option to review.
17. Officers propose that:
 - The person carrying out the work must be the applicant or joint applicant.
 - Applicant(s) must be working for a minimum of 16 hours per week for a single person and 24 hours per week for a couple. The rationale for this being that these are the limits for a person moving from benefit to working tax credit.
 - The applicant(s) have permanent work in the district.
18. The proposed amendment will need to recognise that some applicants cannot work and should not be disadvantaged. Therefore a further advantage of limiting the percentage of nominations that the policy applies to is that it recognises that there are some applicants who cannot work or are of retirement age. In addition there will be officer discretion as to what constitutes permanent work and officers will be looking for evidence of both history and commitment to permanent work.

Local people seeking to access housing in their particular parish

SUMMARY OF CHANGES

19. Officers propose to introduce a tighter definition of local connection than district wide, a so called “strong local connection” when allocating to new build developments. The proposal is that preference would be given, in the first instance, to applicants with a strong local connection where there are two applicants with equivalent need.
20. The definition of a strong local connection is proposed to be:
 - Where the applicant(s) have lived in the parish for five years out of the last 8 and are currently resident there.
 - Where the applicant(s) were born and bred in the parish (lived there until the age of 16) and have left the family home within the last 5 years.
21. However, as stated earlier, because legislation still requires the councils to offer reasonable preference to those in housing need, to prioritise on the basis of

strength of local connection alone for all new developments would not be lawful as this could be interpreted as dominating the policy.

22. Nonetheless, to allow this priority for some proportion of new developments would, in officer's view, be within the flexibilities allowed in the Code of Guidance. Therefore officers suggest a starting point of 20% of new developments with the option to review.

Enhanced priority for foster carers

23. The new Allocations Code of Guidance encourages councils to assist foster carers.
24. Officers propose therefore that these small numbers of cases are dealt with on their merits by referring to the existing officer Social and Welfare Panel for assessment, rather than giving every single case the same priority. This will allow individual circumstances to be taken into account.

The introduction of exclusions for certain categories of people from the housing register.

SUMMARY OF CHANGES

25. The Localism Act allows councils the flexibility to specify groups of applicants that will be excluded from the Housing Register, albeit on a case by case basis. Consequently, officers recommend that the following groups of applicant be excluded from the housing registers.

(a) Applicants guilty of “unacceptable behaviour” or defined as not fit to be an affordable housing tenant:

26. The Code of Guidance does not specify all behaviours classed as unacceptable and officers will consider each case. However examples would be nuisance or anti social behaviour, using premises for immoral or illegal behaviour, violence towards a partner and deliberate rent arrears.
27. Applicants excluded on these grounds will normally be disqualified for 12 months.
28. In terms of impact, the new policy will affect only a small number of applicants in either council but will be significant in the messages that it gives out.

(b) Applicants with no local connection to the district

29. Up until the Localism Act councils were required by law to operate an open housing register. This meant that people with a high level of housing need but who had no connection to the districts could join the register and be housed ahead of those with a lower level of need but who do have a local connection.
30. Councils no longer have to operate an open register and officers recommend that our registers be closed, the rationale for this being that with very high local demand there is little justification for allowing persons from outside the districts to apply for housing. The majority of councils are taking advantage of this new power and closing their registers.

31. In terms of impact there are currently 231 applicants (19%) in the Vale and 274 applicants (19%) in South on our registers in housing need but with no local connection who will be withdrawn from the register. Last year 27 (9 %) applicants at SODC and 21 (7%) at VWHDC with no local connection to the respective districts were housed.

(c) Owner Occupiers

32. The new Code of Guidance recommends that owner-occupiers should be excluded from housing registers and officers believe that, with the high demand for social housing in the district, there is no justification for owner occupiers to look to the council for assistance with housing.
33. The policy would be on a case by case basis and there would be some exceptions eg where there is clear evidence that the applicant is at risk of losing their home.
34. The impact will affect only a small number of applicants. At present there are 230 applicants at SODC and 140 at Vale that would be withdrawn from the Registers and the majority of these applicants are not in housing need. Last year 6 applicants at either council were housed.

(d) Applicants who have sufficient financial resources

35. Prior to the Localism Act, councils were required to accept housing applications from households, regardless of their financial situation. This can lead to situations where the council offers housing to an applicant who is on a high income and / or has a significant level of savings and who could meet their own housing requirements. In the last year 18 applicants at SODC and 20 applicants at VWHDC fell into this category, usually as a consequence of having received substantial redundancy payments.
36. The ability of the councils to investigate the personal finances of applicants is limited so officers recommend instead setting a relatively high bar and exclude applicants with gross household income/savings of over £60,000 since this would be a point at which we calculate an applicant would be able to purchase a shared ownership property in the local markets. The policy would however be on a case by case basis and individual circumstances will be taken into account.

The adoption of the new Bedroom Standard to align the allocations policy to the new housing benefit regulations

37. The new Allocations Code of guidance introduced a new bedroom standard for the purposes of assessing both priority and eligibility for housing .This standard will be introduced to the rules for assessing Housing Benefit (HB) claims as of April 2013 and will mean that eligibility for HB in the affordable rented sector will be assessed in the same way as the private rented sector.
38. Officers therefore recommend that the councils' new housing allocations policy adopt the new Bedroom Standard as set out in the 2012 Allocations Code of Guidance.
39. The impact will reduce the choice of properties for all applicants. However, the amendment is required to align our policy to the new benefit regulations, since to

do otherwise would potentially allow people to bid for properties they could not afford, thus creating unsustainable tenancies.

Introduction of penalties for applicants who refuse a reasonable offer of accommodation

40. Under the existing the policy, applicants can refuse as many properties as they like without penalty. This was introduced so applicants could benefit from as much choice as possible when choosing accommodation. However, in practice, refusal rates are approximately a third of all nominations made and in the majority of cases the applicant refuses the property before ever viewing it. This “failure demand” does not represent an efficient use of both council and landlord resources.
41. Officers therefore recommend that penalties be introduced for applicants who refuse a reasonable offer of accommodation. The penalty proposed is suspension from the register for 12 months after two refusals considered unreasonable.
42. Procedures will be implemented to assess the reasons for refusal and only when the refusal is deemed to be unreasonable or has been made without a prior viewing will the applicant be penalised.

Financial Implications

43. There are no financial implications arising directly from this report. Budget bids have been submitted at both councils to cover the costs of adjusting the housing allocations databases once the policy is finalised

Legal Implications

44. This report as been verified by legal services as complying with the relevant legislation

Risks

45. There are no risks associated with this report

Other Implications

46. None

Conclusion

47. Since the 1985 Housing Act, successive legislation has required local authorities to allocate housing in a progressively prescribed manner. The Localism Act and associated Code of Guidance has reversed this trend and given increased flexibilities.
48. This report proposes a number of amendments to the allocations policy to take advantage of the new flexibilities in a way that better meets the objectives of the councils

Background Papers

49. Localism Act 2012

50. Revised Code of Guidance for the allocation of affordable housing

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Scrutiny Committee Report



Report of Head of Health and Housing

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To: Scrutiny Committee

DATE: 19 February 2013

Adoption of the Council's Tenancy Strategy

Recommendation

Scrutiny committee is asked to consider the draft Tenancy Strategy, attached as an appendix to this report, and to provide cabinet with its views prior to cabinet considering a final draft of the strategy for adoption

Purpose of Report

1. The council is currently consulting on a draft Tenancy Strategy. This is a new statutory duty required in the Localism Act. The consultation runs until the 1 March. On conclusion of consultation a proposed Tenancy Strategy will be submitted to cabinet for final approval.
2. The main focus of the strategy is Registered Providers, the vast majority of which are housing associations working across both South and Vale council areas. To achieve consistency of approach, officers propose that the tenancy strategy should be a joint strategy across South and Vale.
3. This report invites the scrutiny committee to consider the draft strategy and submit its views to cabinet for consideration.

Strategic Objectives

4. The report relates to the council's strategic objective of meeting housing need.

Background-what is a Tenancy Strategy

5. The Localism Act 2011 enables councils and Registered Providers (social landlords including Housing Associations) to allocate and manage affordable housing in different ways so that it is better targeted at local priorities and requires less public subsidy to develop new housing.
6. As part of the governance of these new freedoms the Act places a statutory duty on councils to publish a Tenancy Strategy which should describe the matters to which Registered Providers must 'have regard to' in developing their policies on tenure and rent.
7. The document has an important function both for the councils and for Registered Providers.
8. For the councils' the strategy firstly enables us to offer a clear statement on the issues of security of tenure and rent levels in the districts and set clear benchmarks against we can judge the policies of Registered Providers that seek to work in the districts. Secondly it is also a key statement of policy for the councils and sits alongside the homelessness strategies and allocations policies as one of the three documents that sets out our vision(s) for tackling housing need in the districts. Finally the strategy ensures a common approach to rent setting and tenancy across the districts, thereby ensuring that residents are treated equally.
9. For Registered Providers the Tenancy Strategy offers a strategic umbrella under which they should frame their policies on tenancy and rent setting. The term 'have regard to' in the legislation does not require Registered Providers to comply with the councils' tenancy strategy , but if they choose not to they must make this clear in their published tenancy policies and explain why.
10. The paragraphs above may leave committee reflecting upon the statutory force of the Tenancy Strategy. In truth this is not clear either from legislation or guidance which instead emphasises that the Strategy should be developed in partnership with Registered Providers to arrive at a common vision for affordable housing in the districts.
11. This is the approach officers have taken. The key issues in the strategy were agreed in consultation with key Registered Providers who attended a workshop along with cabinet members in the spring of 2012. Subsequent to this all Registered Providers have been consulted on an initial draft and will be invited to comment further on a final draft before cabinet formally adopts the strategy.
12. Notwithstanding this officers believe that it is important that the council offers a clear statement both to local people and Registered Providers as to our stance on what are the greatest changes in the affordable housing regime for a generation and ask that Registered Providers account to us if they should choose to depart from the strategy.
13. The Tenancy Strategy covers the two main areas that councils are required to offer guidance to Registered Providers, these being:
 - whether the council is prepared to accept the use of flexible, fixed term tenancies that are subject to a review and if so for whom and for how long;

- the extent to which the council is prepared to allow housing rents to increase to fund new developments on new build properties, existing properties re-lets and fixed term tenancies that are the subject of review.

The councils' approach to flexible fixed term tenancies

14. The government's rationale for introducing flexible fixed term tenancies is twofold.
15. The first is a conclusion that publicly subsidised tenancies should not automatically be offered to people for life. To do this, in government's opinion, does not recognise that a households circumstances can change over time and that their tenancy terms and conditions, or indeed whether they should have an affordable tenancy at all, should be able to reflect that.
16. The second is closely related to the financial regime for developing affordable housing developed by the government, the Affordable Housing Rent Model (AHRM). This model recognises that there is a need to continue to provide affordable housing in tough financial circumstances and consequently requires Registered Providers to use the asset value of their stock to raise private finance for new development rather than rely upon public subsidy. Since the value of the asset is closely related to the income (rental) stream it can generate, the ability to review tenancies and increase rents will be a major contributor to this business model.
17. Our Tenancy Strategy recognises both rationale and proposes to allow the adoption of fixed term tenancies for all new tenancies save for certain specifically adapted properties. It also, whilst not precluding the use of fixed term tenancies, asks Registered Providers to reflect upon their impact upon families, the elderly and the vulnerable.
18. In this respect we are both recognising that flexible tenures will, in areas where development costs of housing are high, allow Registered Providers to maximise the financial utility of their stock in districts whilst at the same time, in districts with high housing need, allow affordable housing to be targeted at those most in need.
19. The strategy also requires Registered Providers to consider the potential disruption both to residents and communities that the prospect of tenancy review could cause. Consequently it asks that, if fixed term tenancies are used, that there are classes of local people whom should not be subject to the potential stress of review and that generally, save for exceptional circumstances, tenancy reviews should be no more frequent than every five years.

The council's approach to affordable rent levels for new build properties.

20. In arriving at a strategic position on the application of the Affordable Housing Rent Model (AHRM) in the districts the Tenancy Strategy has to balance two issues. These are first the acknowledgement that rents will need to rise to fund much needed new affordable housing in the district and secondly the wish to ensure that affordable housing remains affordable for local people.
21. Turning first to the issue of encouraging affordable housing development, the strategy is predicated on the fact that SODC has historically relied upon grant

funding to bring affordable housing forward. Consequently, now that it has reduced the creation of the so called “development capacity” funding stream by the increased rents will be required for any affordable housing to come forward.

22. So, in the context of encouraging new affordable housing development the question for the council is not whether the AHRM should apply in the district but the extent to which we would be content to see rents increase by as much as the government are allowing, i.e. up to 80 per cent of market rents.
23. However balanced against this need for and ability to finance new affordable housing is the issue of the affordability of the higher rents for local people.
24. In the report Impact Assessment of the Affordable Housing Framework Model and Related Welfare Reforms, presented to cabinet briefings in September 2011, officers provided detail as to the likely rent increases that residents of both districts could expect under the AHRM. The report concluded that, for many areas of the districts, these increases were substantial, for example in Didcot the rent of a 3 bedroom house would rise by 61per cent.
25. This report then compared these rent levels to income data of those on our housing registers and concluded that, across both districts, there are a substantial proportion of people in housing need for whom such rent levels are would be unaffordable*. For example the three bed house in Didcot would be unaffordable for approximately 75per cent of people on the council’s housing register
26. This then is the conundrum that the council addresses in our Tenancy Strategy, needing to allow rents to increase to drive affordable housing development but not wishing that end product to be unaffordable to local people.
27. This conundrum faces a number of councils and the response nationally has tended to be one of two. Some councils have decided to prioritise local affordability and have either committed to using their own reserves to grant fund housing at lower rents or are risking their supply of affordable housing drying up.
28. Most councils however have recognised the financial realities and have committed to the AHRM to some degree whilst asking Registered Providers to consider local affordability.
29. Officers have considered the first of these approaches but are not minded to recommend this to the councils for three reasons, these are.
30. Registered Providers, particularly south based LSVT associations such as Soha are, in the main, cash and asset rich organisations and officers believe that it is in the local interest to look to them to provide housing that is affordable for local people rather than ask local taxpayers to fund this.
31. Work done by consultants on the viability of development sites in the district has demonstrated that, for green field developments it will still be viable to produce affordable housing at less than 80 per cent of market rents.
32. Whilst rents at 80 per cent of market rents would be a substantial increase for local residents they are not so high as to break the ceilings for housing benefit.

33. Given these facts officers conclude it is the second of these national approaches that the councils should take, namely that the Tenancy Strategy should enable Registered Providers to take advantage of the new development model whilst at the same time setting out our concerns over local affordability and require Registered Providers to limit the application of the AHRM when building business plans for new developments.

34. Specifically we propose to require Registered Providers to:

- recognise the need to tackle the priority of under-occupation in the districts and not unnecessarily raise rents on 2 bedroom properties such that they would be unattractive to people wishing to downsize from larger properties;
- recognise the impact of increased rents on families and limit rent increases on larger properties (3 and 4 bedroom) to no more than 60 per cent of market rents.

35. Officers believe that this approach offers a balance between the need to encourage development whilst recognising and addressing concerns about affordability.

The councils' approach to affordable rent levels for existing properties.

36. Although the Localism Act offers protection for existing tenants of affordable housing the AHRM also allows Registered Providers to increase rents for new tenancies in existing stock and to increase rents for tenants whose fixed term flexible tenancies are reviewed.

37. For new tenancies of existing stock the Tenancy Strategy recognises that the economic and affordability issues that were detailed in the previous section for new build apply equally to existing stock. This is because government have signalled that they see the increased rental stream from existing affordable housing as being a key component of the AHRM. Consequently the Tenancy Strategy requires Registered Providers to consider the same requirements for new tenancies in existing stock.

38. For reviews of existing tenancies the strategy requires Registered Providers to:

- use a benchmark that no household should spend more than 35 per cent of net income on housing.*
- work with the tenants to understand their income and expenditure patterns to arrive at an informed conclusion as to what rents would be fair for them to pay

Financial Implications

39. None

Legal Implications

40. None

Risks

41. None

Other Implications

42. None

Conclusion

43. Although the Tenancy Strategy as set out in Appendix 1 has no statutory weight it helps guide the work of Registered Providers and may influence the decisions of the Homes and Communities Agency, should some partners fail to have regard for the preferred strategy of the Council. For this reason it has potential to be an important statutory tool for the council in its capacity as the strategic housing authority

South Oxfordshire and Vale of White Horse District Councils

Joint Tenancy Strategy

Introduction

The Localism Act came into effect in November 2011 and provides local authorities with the flexibility to shape their housing policies to meet local circumstances and priorities.

Both councils have the provision of housing as a key corporate priority and recognise that, within those priorities, housing that is both affordable for local people and those wishing to live and work in the districts is a key component of a sustainable, economically viable community.

The Tenancy Strategy, together with our Homelessness Strategies and new Housing Allocations Policy will form the strategic basis for the councils' vision for affordable housing in the districts. It sets out the matters to which the councils expect Registered Providers (housing associations) operating within the districts will have regard to when setting their own policies in relation to tenancies and rent levels, both for new occupants of social housing and those subject to a review of their tenancy.

Aims of the Strategy

This Strategy seeks to strike a balance between enabling a regime that encourages the development of affordable housing within the new Affordable Rent Model whilst at the same time ensuring that the housing provided remains genuinely affordable in the local context.

The aims of the Tenancy Strategy are to:

- Set out the councils' expectations of Registered Providers in delivering an optimum level of new affordable housing.
- Ensuring that affordable housing provided is genuinely affordable for local people and those wishing to live and work in our communities.
- Establish a framework for affordable housing rents and tenancies that is common across the districts, both for new build and existing properties/tenancies.
- Provide a strategic framework to encourage Registered Providers to make the best use of existing stock by tackling under-occupation and reducing overcrowding.
- To complement the councils' Homelessness Strategies and Housing Allocations Policy

Appendix 1

Background

Tenancies

This strategy sets out the councils' expectation of Registered Providers in operating the new Flexible Tenancy regime and the circumstances under which this type of tenancy would be the most appropriate.

The Localism Act allows Registered Providers to provide tenants with Flexible Tenancies. This new type of tenancy will allow affordable housing to be provided for as long as it is needed and remains the most appropriate form of housing for the tenant. It also allows for greater mobility both within the social housing and market housing sectors.

The Localism Act requires that a Tenancy Strategy address the following issues that registered providers must have regard to in setting their Tenancy Policies, these include:

- The kinds of tenancy they can grant
- The circumstances in which they can grant a tenancy of a certain type
- The length of a fixed term tenancy different types of applicant can expect
- The circumstances in which they will grant a further tenancy

Prior to the Localism Act, affordable housing tenancies were almost always arranged on an "assured" basis, which meant a tenant could remain in that home for life. The Flexible Tenancy provides an opportunity for a review of the housing needs of the tenant after a certain period of time to ensure that housing is still appropriate for their current circumstances.

Flexible tenancies will only be applied to new-build properties and some existing homes that have become empty and available for re-letting. It will not apply to existing tenants (as at 1 April 2012) who will continue to enjoy the same security of tenure should they move to an alternative social tenancy. This will however not apply should they choose to move to a property let on affordable rent terms.

Affordable Rents

The councils' Tenancy Strategy also recognises the key importance of providing housing that is affordable and seeks to offer guidance for Registered Providers as to the rents the councils expect them to charge for affordable housing properties in the districts.

Until recently rent levels were set by government at rates which were significantly lower than local market rents. These 'target rents' were generally around 40% - 50% of market rates. This was possible because government provided grant to build affordable housing that kept rent levels low.

The Comprehensive Spending Review in 2010 changed the way in which new affordable housing is funded. It significantly reduced direct grant funding and instead introduced what's called the Affordable Rent Model. This new model allows rent levels to be up to a maximum of 80% of market rates and is designed to increase

Appendix 1

the revenue stream from affordable housing which will enable Registered Providers to achieve increased borrowing to finance new development.

These higher Affordable Rent levels will only be applied to new-build properties plus a proportion of existing homes available for re-letting. They will also apply to Flexible tenancies upon review.

The Strategy

This section sets out the councils' expectations of Registered Providers in relation to:

Tenancies

1. The types of tenancies to be granted; what they will grant and, if these are for a fixed term, how long that fixed term will be.
2. The circumstances under which the councils would expect particular types of tenancies to be granted
3. The length of a fixed term tenancy
4. The circumstances under which a tenancy might not be reissued at the end of its term
5. Advice and assistance provided for residents undergoing a review

Rents

1. The councils' approach to the setting of rent levels for new build affordable housing
2. Re-lets of existing stock or upon tenancy review

Tenancies

1. Types of tenancy to be granted

The introduction of the fixed-term, Flexible Tenancy in social housing provides flexibility in allowing a review of the tenant's circumstances at the end of a specified length of time. The aim of the review is to determine the most suitable ongoing housing option for the tenant which, it is anticipated in most cases, will result in a further fixed term tenancy being granted for the same property.

The review is also an opportunity for alternative housing options to be considered where a tenant's circumstances have changed. Options may include considering a move to another affordable rented property more suited to the tenant in size, type and even location, or where low cost home ownership, such as 'shared ownership' may now be affordable.

The councils welcome the introduction of Flexible Tenancies and the opportunities that it provides to review the housing needs of existing tenants. We believe that such a review is essential in an area of high housing need such as southern Oxfordshire.

2. The circumstances under which particular types of tenancies are granted

The councils recognise that there are some circumstances where a fixed term tenancy will not be suitable and a lifetime assured tenancy should be granted instead. In

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particular, fixed terms tenancies are not generally expected to be introduced under the following circumstances:

- Housing specifically designated for older people or general needs housing where the occupier will be 60+ years of age.
- Housing specifically designated for vulnerable people such as those with learning or physical disabilities, or anyone with enduring mental health issues. The exception to this will be where the accommodation is designed for move-on to more permanent housing or where specific adaptations may not be required long term.

This list is not designed to be either exhaustive or proscriptive and the councils accept that there may be additional circumstances where a Registered Provider may not wish to apply a fixed term tenancy.

3. The length of a fixed term tenancy

By law a fixed term tenancy must be for at least 2 years (not including any period of starter tenancy) however the council expects that, save in exceptional cases, a fixed term would be for a minimum of 5 years.

Fixed terms of less than 5 years may be appropriate under certain circumstances, for instance:

- To enable greater flexibility for an RP if any issues have arisen during a starter tenancy period and a shorter fixed term would effectively extend a period of closer monitoring with the aim of promoting a sustainable tenancy in the longer term.
- Similarly where an existing five year tenancy is coming to an end, and a further shorter term is more appropriate, as the tenant has a history of not keeping to the terms of their tenancy agreement but the circumstances do not support ending the tenancy.
- Where a short tenancy is being offered for a fixed period and there is no intention to renew – for example where it is offered to a young person, as an opportunity to save for a deposit, or as an incentive to engage in training, education or employment.

4. The circumstances under which a fixed term tenancy may not be reissued at the end of its term.

The council recognises that there is a valid role, at the end of a fixed term tenancy, for both the Registered Provider and tenant to consider the continuing suitability of the property in the light of any changes in the tenant's circumstances.

However the councils would wish Registered Providers to balance this ability with an acknowledgement that sustainable communities are best created by allowing people to make long term plans for themselves and their families without the spectre of review hanging over their heads, this is particularly true for families with dependant children of school age.

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We expect that the majority of fixed term tenancies will be renewed because neither will circumstances have changed significantly nor will the conduct of the tenancy suggest otherwise.

The councils expect Registered Providers to make a decision not to renew a tenancy in only certain circumstances which are:

- The property is no longer suitable for the tenant and an alternative affordable home is being offered that is in a location and of a type and size that will be more appropriate for the tenant for the foreseeable future.
- The tenant's own financial circumstances have improved to a level where other forms of tenure could be affordable such as shared ownership or even open market purchase.
- The conduct of the tenant, including accumulation of arrears or other housing debts and their history of addressing these issues is such that they would not be accepted onto the councils' housing registers.
- The tenants have breached the terms of their tenancy or have been involved in criminal activity or anti social behaviour.

5. Advice and assistance provided for residents undergoing a review

The councils will expect Registered Providers to:

- Provide clear information at the outset of a tenancy about any review process and how it will be conducted.
- Establish clear and transparent processes for reviews including appeals.
- Commence reviews of tenancies within 6 months of the end date of the tenancy
- Ensure that, as far as is possible reviews are not intrusive

The councils require that all Registered Providers publish their policies on reviews and make them readily available to all tenants prior to their review.

Finally the councils require that, they be notified, 6 months in advance, of each case where a fixed term tenancy is unlikely to be renewed regardless of whether alternative social housing is going to be offered and expect that in all circumstances a tenancy will not be brought to an end that would result in a household being found unintentionally homeless in accordance with the Homelessness Act 1996.

The councils also expect that procedures for bringing tenancies to an end will comply with the Equality Act 2010 and the Human Rights Act 1998.

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Affordable Rents

1. The councils' approach to the setting of rent levels for new build affordable housing

The councils wish to promote an environment that promotes the development of affordable housing and recognise the key requirements of the government's Affordable Rent Model.

Nonetheless the councils also wish to ensure that affordable housing provided is genuinely affordable for local people and complements the councils' allocations policies that seek to encourage people to move into work

The councils have recently commissioned an update to the 2008 Housing Needs Assessment (HNA). This revealed that, across both districts, affordable housing charged at 80% of market rents will be beyond the reach of many people in housing need and far from encouraging people into work could increase reliance on Housing Benefit.

Similarly, in 2011 the councils commissioned an update to the 2009 Affordable Housing Viability Study (AHVS) to take into account the introduction of the Affordable Rent model. The results show that for some greenfield developments, across both districts, it will not be necessary to charge 80% of market rents for the affordable housing requirement for the scheme to be financially viable for developers.

These two studies inform the councils' approach to affordable rent levels. The councils support the introduction of the Affordable Rent Model in the interests of advancing housing delivery but require issues of site viability and local affordability to be reflected in determining the rent levels to be charged.

We therefore expect to work with Registered Providers on a site by site basis to agree affordable rent levels and will expect this discussion to be informed by detailed site viability assessments provided by the Registered Providers. In the absence of such information the councils will not be minded to support affordable rents at 80% of market rates.

The following general principles will inform negotiations with registered providers over affordable rent levels

- The councils expect to benefit from development opportunities generated through Affordable Rent in the districts.
- Affordable Rent should not reinforce long term benefit dependency and should reflect incomes that households could reasonably be expected to sustain without Housing Benefit
- Affordable Rent tenancies for elderly households in sheltered accommodation are not supported, as they have fixed incomes.
- Registered Providers should take account of wider welfare benefit policy when rent setting

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- Affordable Rent tenancies should ideally be linked with support for non working households to access training and employment

In addition the councils would generally expect.

- A commitment from Registered Providers to charge only the minimum rents necessary for the progression of their business plan.
- That rent levels will not exceed the Local Housing Allowance for the location of the property.
- Where analysis demonstrates that development is viable at rent levels below those proposed, that the Registered Provider demonstrate to the council(s) the added value for the district(s) of those rent levels
- A commitment from Registered Providers that they will use their own resources to ensure that no three or four bedroom house will be charged at more than 60% of local market rents.

2. The councils' approach to the setting of rent levels for existing property; new tenancies and tenancy review

The councils' recognise the importance to Registered Providers business plans of rent levels in existing stock and wish to work with them to use existing housing assets to maximise their capacity to develop much needed affordable housing.

However the councils also require that the issue of local affordability be factored into decisions over increasing rent levels.

For re-lets and new tenancies the councils recognise that the rent levels charged are one factor that tenants can take into account when choosing the property. For these properties therefore the councils consider that the requirements for new build properties outlined in the previous section also apply to re-lets of existing dwellings.

When considering the issue of tenancy review, one option that a Registered Provider has is to increase the rent charge if they conclude that a persons financial circumstances merit it. The councils recognise this and are supportive of these new flexibilities.

Generally the councils would require Registered Providers to carry out a full income and expenditure analysis before calculating an appropriate rent level. When calculating income and capital, the councils supports taking the tenant's income into account plus that of their partner or spouse and also some income and capital of wider non dependant family members who live in the home.

Generally the councils support calculations of affordability based upon a working premise that housing costs should not exceed 35 per cent of net income with net income being 74 per cent of gross.

Appendix 1

Within these general guidelines on affordability the councils believe that Registered Providers should operate within the following local limitations.

- Under-occupation is a key issue for both councils and in order to incentivise down sizing and reduce under-occupation in 3 and 4 bed properties we would also seek to limit rent rises to 2 bed properties so as to make them attractive.
- Our research shows that increases to larger properties could be over 50% if a rise to the full 80% of market rents was implemented. We would not be supportive of rises of this magnitude - again on affordability grounds and would wish to see this limited to 60% of market rents.

Maximising the use of Existing Stock

The Housing Needs Assessment (updated in 2011) has estimated that in excess of 900 social rented homes in each district could be under-occupied by 2 or more bedrooms.

The issue of under-occupation is further highlighted by the Welfare Reform Act 2012 which sets out future restrictions on housing benefit to be applied in the social housing sector. These changes will affect social housing tenants of working age and may also have an impact on the size of home that some Housing Register applicants can apply for.

The councils' recognise the importance of both of these issues and also that flexible tenancies will be a tool in tackling under-occupation. The councils are committed to working with Registered Providers to ensure best use of existing social rented stock.

The councils offer tenants under-occupying a high priority in our allocations policy and expect that Registered Providers recognise this and do not generally renew tenancies for households that are under-occupying their property.

The councils recognise that there will be some exceptions to this, for example where a households care requirements require additional space, and will expect Registered Providers to consider each case on its merits.

Tenancy Strategy Review

The council will review this Tenancy Strategy annually and invite key stakeholders to input into this review. We will make any necessary adjustments to ensure that any changes in circumstances can be taken into account.

In addition, an annual review process will be undertaken between the council and Registered Provider partners to assess performance in line with the guidance in this strategy.

Actions and responsibilities will be determined for both the councils and the Registered Providers to address issues identified as a result of this process.

Appendix 1

Glossary

Affordable Housing	Subsidised housing made available to people who cannot afford to rent or buy housing generally available in South Oxfordshire or the Vale of White Horse districts on the open market and who are eligible under the councils' Allocations policies.
Affordable Rent	Rent for affordable housing up to a maximum of 80% of open market rates for that location.
Allocations Policy	This is a policy setting out how the council allocates affordable housing in line with priority housing need for the district.
Choice Based Lettings Scheme	This is a scheme whereby councils regularly advertise a list of available affordable housing for applicants on the councils' waiting list (Housing Register) to 'bid' for. This enables applicants to choose which properties they are interested in being considered for. Allocation of the housing will be in accordance with the councils' Allocations policy.
Comprehensive Spending Review	A review carried out by Government every 3 years to fix spending limits in the public sector.
Fixed Term tenancy	A tenancy with a fixed start and finish date.
Flexible tenancy	A Fixed Term tenancy that is periodically reviewed to consider the most appropriate ongoing tenancy option.
Homes and Communities Agency	A national housing and regeneration agency with responsibility for allocating government funding for affordable housing in England.
Housing Benefit	Provision of financial assistance towards rent and some service charges for tenants of both private and affordable rented accommodation.
Local Housing Allowance	A set level of Housing Benefit paid to eligible people on low incomes renting in the private sector. The level of allowance is set in relation to local private rented housing costs and can vary depending on which part of the country the property is located.
Registered Providers	Providers of social (affordable) housing who are registered with and regulated by the

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	Tenant Services Authority which is a government agency.
Shared Ownership	Purchase of an initial 'share' of a property with rent paid on the remaining share. Shared Ownership properties are usually (but not exclusively) offered for sale by Registered Providers who retain ownership of the unsold share.
Target Rent	Rent level determined by a government formula based on average local incomes and property values compared with national averages.
Welfare Benefit Reform	The Welfare Benefit Reform Act 2012 introduces significant changes to the benefits and tax credit systems.

DRAFT

Scrutiny Committee Report



Report of Head of Corporate Strategy

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To: Scrutiny Committee

DATE: 19 February 2013

Corporate plan 2008-2012: final review of performance

Recommendation

That Scrutiny Committee notes the council's performance against its corporate plan 2008 – 12.

Purpose of Report

1. This report is the final review of the council's performance in delivering its strategic objectives and corporate priorities contained within the former corporate plan for the period 2008-2012.

Strategic Objectives

2. The corporate plan contains the council's strategic objectives for the period. Where still relevant objectives from the 2008 – 12 plan have been included in the new corporate plan for the period 2012 – 16.

Background

3. The council's corporate plan is a key document which sets out our strategic objectives and corporate priorities together with the measures and targets that track our performance.

4. We carry out a review of the corporate plan annually to track progress, identify corrective measures when performance is below target, and make any changes to the corporate priorities and measures that are needed to ensure that the plan remains relevant and up to date.
5. During the final year of the plan we carry out a fundamental review of the council's strategic objectives and corporate priorities and develop a new corporate plan for the next four year period. In February 2012 the council agreed a new corporate plan for 2012-2016. The purpose of this report is to set out the final review of the council's performance in delivering the key actions and targets contained within the former plan covering the period 2008-2012.
6. A summary of performance is attached at appendix one to this report.

Financial Implications

7. There are no financial implications arising from this report.

Legal Implications

8. There are no legal implications arising from this report.

Conclusion

9. The council made good progress against the strategic objectives and corporate priorities in its corporate plan 2008 – 2012 as set out in appendix one.

Background Papers

- 'The Way Ahead' Corporate Plan 2008 – 2012

Appendix one - Corporate Plan 2008 – 12 – summary of performance

STRATEGIC OBJECTIVE: MANAGING OUR BUSINESS EFFECTIVELY

Corporate priorities

- provide value for money services that meet the needs of our residents and service users
- provide equality of access to our services.

We have met the challenges of reduced government funding head on. We took a brave step when we decided to jointly deliver many of our services with our neighbouring Vale of White Horse District Council. We were the first councils in England to share services to this extent, but were confident that this would help us to find the savings we needed to, whilst maintaining the quality of services to residents. We estimate that we have achieved ongoing savings of £521,000 from staffing restructures as a consequence of this, and have made significant savings on joint contracts e.g. our joint waste contract is estimated to have save around £1m.

We have reviewed most of our services to ensure that they are as efficient as they can be and estimate that this has achieved budget savings to date of £3,086,392. This efficient management of resources has meant that we have been able to fulfil our commitment to keep council tax down – we made no increases in the district council element of council tax in 2010/11 and 2011/12, and were actually able to reduce it by 2.5 per cent last year.

Our staff sickness absence per employee for 2011/12 is 6.93 days which compares very favourably with the industry benchmark.

Through our residents satisfaction survey we measure how satisfied residents are with what we are doing, and last year 95 per cent told us they were satisfied with the local area, and 78 per cent that they were satisfied with the council and its services – this is a significant improvement on the previous survey in 2009 (66 per cent).

According to our Peer Review in 2011 “There is a story of good progress on many priority areas within South Oxfordshire, this having been achieved at the same time as delivering a challenging and innovative agenda. Performance improvement has been delivered in priority areas and the council is held in high regard by citizens and partners.”

We have continued to improve our communications and our Outlook newsletter remains a very popular way for many residents to receive information about our services. However, more and more people are getting ‘online’ and we have responded accordingly. We relaunched our website in 2011 and have developed new online services e.g. waste collection reminders; our new Binfo smartphone app helps keep residents informed about their waste service; and we’re getting into social media too. Unsurprisingly visits to the council’s website continue to increase - in March this year there were 28,484 unique visitors to our site. According to our latest residents' survey 87 per cent of residents feel well informed about our services.

We are aware that not everyone can use the internet to access information and advice. Alongside these improvements we have continued to review our services to ensure that they are accessible for all. We work closely with our disability and ethnicity panels and with the

Didcot Access group on this and to ensure that new developments such as Great Western Park meet the needs of all groups. We are an 'achieving' council against the national Equality Framework for Local Government – which means that we measure up well on national standards for accessibility.

STRATEGIC OBJECTIVE: PROTECTING OUR ENVIRONMENT

Corporate priorities

- reduce the amount of waste we send to landfill
- reduce energy use from our own operations
- keep the district clean and tidy, and tackle environmental crime such as litter, graffiti, fly tipping and abandoned cars.

Our ambition was to be amongst the top performing district councils nationally in terms of our waste and recycling, and in 2009 we restructured our waste service and put in place a communication programme to help achieve this. By the end of our plan 68 per cent of all household waste was recycled or composted, making us the best in the country; and just before publication of this report we received the Local Authority Recycling Advisory Committee (LARAC) award for the most improved recycling rate. We are especially proud of this achievement because as well as giving a high quality service the new contract has saved council taxpayers £1m, and according to our recent citizens' panel survey 96 per cent of residents are satisfied with their waste service.

We know that clean streets are important because our resident surveys tell us so. We have worked hard to improve the cleanliness of streets in the district over the period of the plan and have followed this up with a district-wide big clean.

Part of keeping the area clean is dealing with environmental crimes such as litter and flytipping. Our contractor Biffa provides a rapid response service for the removal of large accumulations of litter, dead animals, fly-tipping and graffiti, and we take quick action to deal with abandoned cars – in the plan period we served the required 7 or 15 day notices on all vehicles confirmed as being abandoned, and where they were not moved or taxed, they were removed and scrapped within 24 hours of the notice expiring.

Cases of flytipping have reduced between 2009/10 and 2011/12 from 927 to 777 per year; part of our success on this has been to take swift enforcement action wherever possible against those that are responsible, and we have provided additional resources to enable us to do that.

Delivering our services uses a lot of energy, and we recognise that we need to do our bit to reduce energy use and therefore carbon emissions. This makes good business sense as it also saves us money on our energy bills. Our Carbon Management Plan, agreed in 2008, includes a target to reduce our energy use by 30 per cent by March 2013, and we are well on the way to achieving this with a reduction of 20 per cent by March 2012. We have achieved this through a wide range of projects in leisure centres, the council offices and from the new waste contract which includes the more efficient routing of vehicles.

STRATEGIC OBJECTIVE: DELIVERING HOMES FOR ALL

Corporate priorities

- increase the supply of housing in the district, including affordable housing
- prevent homelessness and improve housing options, particularly for vulnerable groups such as young people and older people.

In our plan we said that we would develop a range of planning and housing initiatives that enable the delivery of housing across the district for new build housing of all kinds in our Core Strategy and working with housing associations to deliver affordable housing for those who cannot afford to buy their own home on the open market.

In 2009/10 we achieved 74 per cent of our target for housing allocations; this figure will improve significantly once we have allocated sites in the core strategy. We have now adopted our core Strategy (December 2012) which has increased the supply of housing land across our district.

We have attracted a significant amount of inward investment for affordable housing from the national affordable housing programme (2008/11). In 2009/10 we secured new funding of £10,371,000 from the Homes and Communities Agency to deliver 195 homes, and we also secured £2,800,000 in grant to enable the first phases of Great Western Park, Didcot to be brought forward. Around 400 new affordable homes have been built between 2008/09 and 2011/12 which have provided a wide range of property sizes with over 80 per cent delivered as family sized housing.

2011/12 saw:

- 25 affordable units delivered at Great Western Park
- 34 affordable units completed at Fairmile hospital site in Cholsey
- 56 affordable units were completed at Chinnor Cement Works site
- 28 new homes delivered through redevelopment of a redundant garage site, 'old' sheltered housing scheme and other land owned by Soha Housing
- 21 home purchases completed under the council's open market Homebuy (OMHB) schemes
- The first affordable Extra Care Housing scheme for older people completed by Soha in Thame – providing 40 self-contained, wheelchair accessible apartments.

Alongside this we have implemented a number of initiatives to help people to find suitable homes or to stay in their own homes. This includes the Oxfordshire Homechoice scheme and promoting take up of disabled facilities grants. We have also reduced the use of temporary accommodation for those who come to us for extra support when they become homeless.

STRATEGIC OBJECTIVE: SUPPORTING ECONOMIC GROWTH

Corporate priorities

- Support creation of vibrant market towns
- Promote business growth and the creation of new jobs.

One of the key strands of our economic development work has been working to ensure that our market towns remain vibrant and attract both local people and visitors to spend time in them. Working in partnership with local town councils, chambers of commerce and local businesses we have developed our market towns strategy and action plans for Henley, Thame and Wallingford. We are now working together to implement the actions in these.

Major projects delivered over the corporate plan period include:

- work on branding and distinctiveness marketing to boost visitors to each of the towns
- appointment of market town co-ordinators in each of the towns
- delivery of SEEDA small rural towns programme attracting over £200,000 external funding to Thame and Wallingford
- annual surveys of retail unit vacancies
- investment of £260,000 has been provided for new moorings in Wallingford
- funding for streetscape improvements and signage in Henley town centre
- viability studies undertaken for regeneration of key town sites including former Waitrose site in Wallingford and Thame Cattle Market.

More widely, we have been working with businesses to implement our economic development framework and action plan, launched in 2010. Key successes to date include:

- completion of a South Oxfordshire skills survey
- support for home-based businesses
- provision of networking opportunities for businesses
- promotion of available commercial sites
- publishing an inward investment guide “Let’s do business”
- delivery/promotion of business support services.

As part of the leading edge Science Vale UK Partnership we have been successful in obtaining Enterprise Zone status for development sites at Harwell Oxford and Milton Park – this is only the second in the country. We estimate that the business incentives that are available in the Enterprise Zone will help to create 8,400 new jobs in the area. We are working hard to encourage businesses into the district and already several businesses have moved into Milton Park, creating many job opportunities.

STRATEGIC OBJECTIVE: TRANSFORMING DIDCOT

Corporate priorities

- Plan for the expansion of Didcot as a major centre of population and employment in Southern Oxfordshire
- Develop a thriving town centre, with a wider range of facilities.

A number of years ago we set out to transform Didcot by improving the facilities available in the town, and to support the needs of its growing population for more jobs and improved leisure and shopping. The council now operates the successful Cornerstone arts centre, which attracts over 110,000 visitors a year. We have completed the Ladygrove Loop and have more recently allocated £15million for a new leisure centre on the north east Didcot development area.

Inward investment has helped to fund much of this growth – New Growth Point Funding is helping towards Didcot station forecourt improvements, and linked to this Homes and Communities Agency funding has been used to purchase properties opposite the station to enable us to bring forward regeneration plans for this key ‘gateway’ area of the town. Also looking to the future, we are working with our partners Hammerson plc on plans for phase II of the Orchard Centre.

Didcot is now a thriving town which will play a fundamental part in the new Science Vale UK enterprise zone which is set to be a major hub for science and technology businesses. We are working with businesses and other partners to ensure that local people can take advantage of the science and technology job opportunities and increase the number of local people who can find work close to Didcot.

STRATEGIC OBJECTIVE: HELPING PEOPLE FEEL SAFE AND SECURE

Corporate priorities

- Maintain low levels of fear of crime and antisocial behaviour
- To take action to alleviate the risk of flooding to properties.

South Oxfordshire is a low crime area and feedback from residents tells us that 85 per cent feel safe on our streets at night and 97 per cent do so during the day; but even so some people do still experience crime and antisocial behaviour in their communities. We work closely with the Police and with other agencies as part of the South and Vale Community Safety Partnership to tackle crime and antisocial behaviour so that residents can feel even safer. Through a Joint Agency Tasking and Co-ordinating group we make sure that we all work together to tackle 'hotspots'.

We also work with the police, trading standards and other agencies to tackle underage drinking and drug and alcohol related disorder through Nightsafe and other partnership initiatives.

The good news is that we've seen a significant reduction in many types of crime - the level of criminal damage reported to the police has dropped by a massive 25.5 per cent over the lifetime of our plan.

Domestic abuse is a crime that affects too many people and we are working with the police to support those who are victims and to reduce the number of incidents. Some of the things we support are the county domestic abuse co-ordinator, a dedicated outreach service for domestic abuse victims and their families and 'sanctuary scheme' works which help victims of domestic abuse to remain in their own homes and feel safe.

Whilst flooding doesn't affect all residents, for those whose homes or property are flooded it can have a devastating affect on their lives. For a number of years we have been working with Oxfordshire County Council, the Environment Agency, local landowners and others to help to prevent flooding and to protect homes in the event that it does happen. This includes having clear agreement on roles and responsibilities in relation to flood alleviation, enforcement and reporting flooding.

We have carried out flood alleviation schemes to help prevent flooding in those areas most at risk, including in Tiddington, Berrick/ Roke, Chalgrove, Wheatley and Thame; and more are planned. We also work with local communities to enable them to take action by setting up flood groups – Chalgrove was one of the first to do this.

STRATEGIC OBJECTIVE: IMPROVING OPPORTUNITIES, ACTIVITIES AND SUPPORT FOR YOUNG PEOPLE

Corporate priority

- Increase access to a wide range of activities for young people, which meet their needs; and support young people at risk of committing antisocial behaviour and crime.

A number of our teams work with partners, including the schools sports partnership, the youth service and Thames Valley Police to increase access to and extend the range of positive activities available for young people. Access to positive things to do helps to keep more vulnerable young people out of trouble. In 2001/12 we ran a positive activities campaign, promoting the 'Activities Oxfordshire' website, to try to get more young people involved in volunteering and taking part in positive activities.

Our school holiday programmes provide a wide range of activities for children aged 5-18 years and we have extended the range of activities, to include kayaking, boxing, golf, sailing and horse riding. We have also secured external funding to deliver a range of projects in South Oxfordshire for 14 – 25 year olds.

We recognise that young people are the active citizens' of the future and we try to build their views as well as those of adults into planning for and communicating our services – for example how to get messages out about Halloween safety and on taxi licensing. Young people do some good work in our communities and we like to promote this, including bringing them together with older people to share experience and skills such as their recent help with IT classes run by AGE UK. Through work experience and extended work experience we help to give young people who are struggling to get work, the vital experience they need to demonstrate their skills' to future employers, and they support us to deliver some of our projects in the district. There have been 49 placements between 2010-2012.

STRATEGIC OBJECTIVE: STRENGTHENING LOCAL COMMUNITIES

Corporate priorities

- Support local groups to provide services and solutions in their local communities
- Advocate and influence on behalf of our communities on important local issues for which we are not the main provider.

The biggest way in which we support our communities to take action for themselves is by providing funding through our grant schemes. In the last year of our corporate plan alone (2011/12) we provided capital grants to 19 projects totalling £544,550, including:

- £60,000 to Garsington Village Hall towards a major refurbishment project
- £82,240 to Cholsey Parish Council for a new pavilion and community centre
- £8,114 to Aston Tirrold and Upthorpe Village Hall for an online initiative, including broadband and computing equipment
- £15,000 to Millstream Day Centre in Benson for internal modifications and garden landscaping.

We also provided revenue grants to 28 organisations totalling £424,140, including:

- £165,620 to CABs in Thame, Henley and Didcot
- £21,500 to Age UK Oxfordshire
- £21,769 to The Chiltern Centre in Henley
- £7,337 to Berinsfield Information and Volunteer Centre.

During the lifetime of the plan we awarded a total of £5.1million in funding to local communities and voluntary groups.

We also support towns and parishes to develop community led plans and market town action plans and more recently we have supported several parishes on neighbourhood planning. In total 42 communities in South Oxfordshire are now either involved in developing a community led plan or have already completed one and are implementing the actions contained within it. We have supported Thame, Henley and Wallingford to develop town action plans and Thame and Woodcote are well into the work on their neighbourhood development plans. Through the South Oxfordshire Partnership Community Places project we have provided more intensive community development worker support to Berinsfield for its community led plan and support to the new residents of the Great Western Park development in Didcot.

As a community leader we like to support our communities to campaign on local issues which are important to them. With Wycombe District Council we have continued to support local communities living along the M40 to take their case to the Government for noise mitigation measures to be provided on that stretch of road. We also supported local villages to make a case to Oxfordshire County Council to keep some subsidised bus services running in the Wallingford area.

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