

Council



Listening Learning Leading

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Date: 7 October 2015

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Summons to attend a meeting of Council

to be held on

THURSDAY 15 OCTOBER 2015 AT 6.00 PM

at

**THE FOUNTAIN CONFERENCE CENTRE, HOWBERY PARK,
CROWMARSH GIFFORD, WALLINGFORD, OX10 8BA**

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MARGARET REED
Head of Legal and Democratic Services

Note: Please remember to sign the attendance register.

Agenda

Map

A map showing the location of Howbery Park is attached, as is a plan showing the location of the Fountain Conference Centre on the Howbery Park site.

1 Apologies

2 Declaration of disclosable pecuniary interest

To receive any declarations of disclosable pecuniary interests in respect of items on the agenda for this meeting.

3 Minutes of the previous meeting (Pages 6 - 37)

To adopt and sign as a correct record the minutes of the meetings held on 19 February and 21 May 2015 (**attached**).

4 Chairman's announcements

5 Questions from the public and public participation

6 Treasury management outturn 2014/15 (Pages 38 - 61)

(Cabinet member responsible: Mrs J Murphy)

Cabinet, at its meeting on 13 October 2015, will consider a report on the outturn performance of the treasury management function for the financial year 2014/15.

The report of the head of finance, which Cabinet will consider on 13 October, is attached.

The recommendations of Cabinet will be circulated to councillors on 13 October 2015.

7 Oxfordshire Joint Health Overview and Scrutiny Committee Appointment

At the annual meeting in May 2015 Council appointed Mrs Anna Badcock as the council's representative on the Oxfordshire Joint Health Overview and Scrutiny Committee. Following the meeting democratic services established that the constitution of the joint committee provides that councillors are not eligible to serve on the committee if they become a member of an executive of one of the appointing councils. Mrs Badcock, as a Cabinet member, is therefore not eligible to be a member of the committee. Although Council did not appoint a substitute at its

annual meeting in May officers recommend that a substitute is appointed.

Council is invited to appoint an alternative councillor as the council's representative and a substitute.

RECOMMENDATION:

That Council appoints a representative and a substitute on the Oxfordshire Joint Health Overview and Scrutiny Committee.

MARGARET REED

Head of Legal and Democratic Services



Birmingham airport


B4009 Watlington
M40 J6

A4074 Oxford


A4130 Didcot




Sat Nav: OX10 8BA

Brightwell

Benson


Wallingford

Centre for Ecology & Hydrology
South Oxfordshire District Council

Crowmarsh Gifford

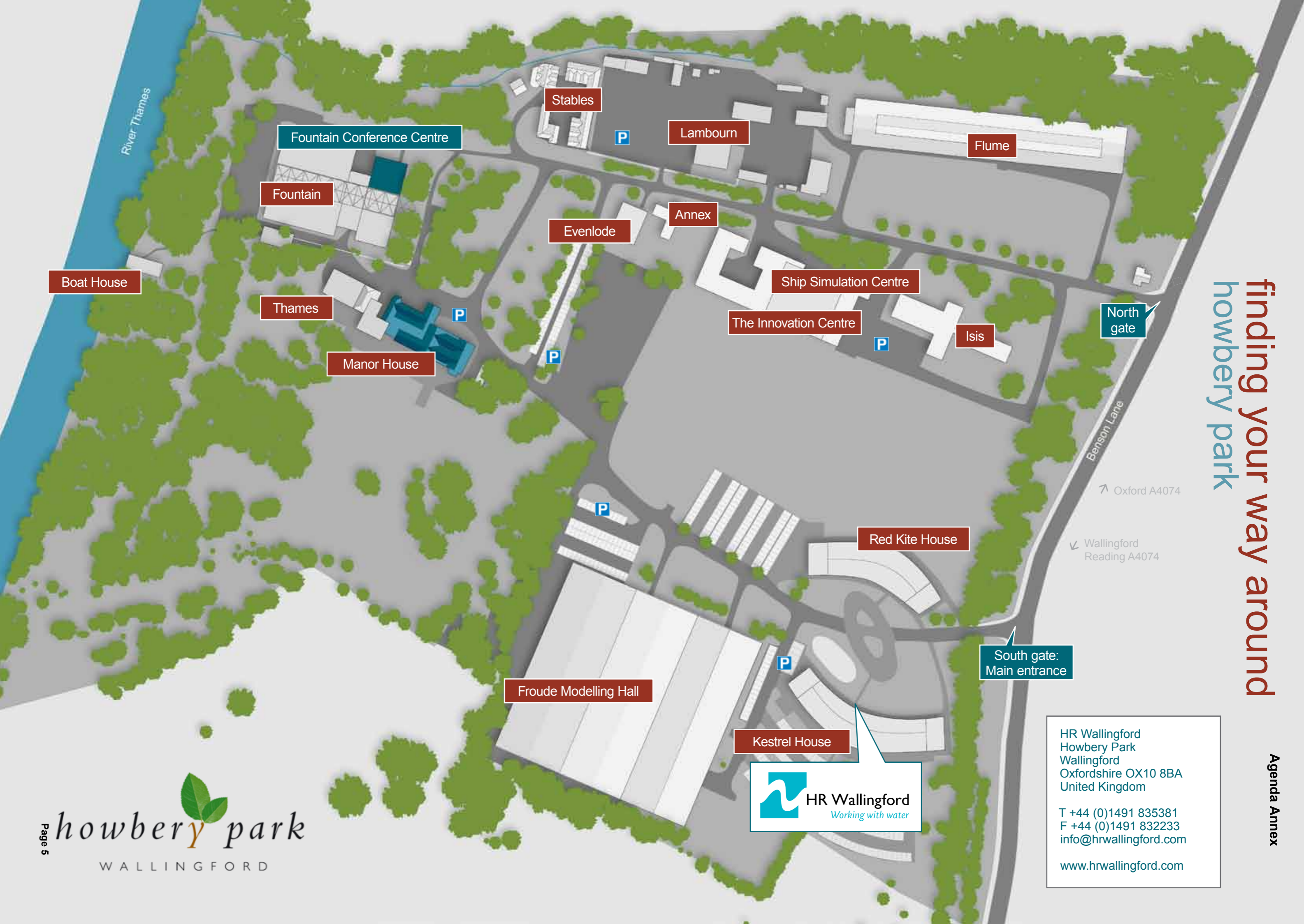
A4130 Henley
M40 J4 

A4074 Reading


London Heathrow


Agenda Annex

finding your way around howbery park



North gate

South gate:
Main entrance

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Minutes

OF A MEETING OF THE

Council



Listening Learning Leading

HELD AT 6.00 PM ON THURSDAY 19 FEBRUARY 2015

FOUNTAIN CONFERENCE CENTRE, HOWBERY PARK, CROWMARSH
GIFFORD, WALLINGFORD, OX10 8BA

Present:

Ann Midwinter (Chairman)

Margaret Turner, Roger Bell, Joan Bland, Felix Bloomfield, David Bretherton, Dorothy Brown, Janet Carr, Steve Connel, Bernard Cooper, John Cotton, Philip Cross, Margaret Davies, Pat Dawe, David Dodds, Elizabeth Gillespie, Mark Gray, Will Hall, Tony Harbour, Eleanor Hards, Neville F Harris, Paul Harrison, Elizabeth Hodgkin, Christopher Hood, Malcolm Leonard, Lynn Lloyd, Denise Macdonald, Judith Nimmo-Smith, Angie Paterson, Anne Purse, Bill Service, Robert Simister, Pearl Slatter, David Turner and Jennifer Wood

Apologies:

Celia Collett, MBE, Kristina Crabbe, Stephen Harrod, Imran Lokhon and Christopher Quinton tendered apologies.

Officers: David Buckle, Steven Corrigan, William Jacobs, Margaret Reed, Anna Robinson and Bob Watson

Prior to the start of the meeting Council observed a minute's silence in memory of Mr Mike Welply who had died on 15 February 2015.

Mrs A Midwinter, Chairman of Council, Mr J Cotton, Leader of the council, Mr D Turner, Leader of the Liberal Democrat group and Mr N Harris, a Didcot Ladygrove ward councillor, made statements in memory of Mr Welply.

The chairman welcomed councillors to the new venue for Council meetings following the devastating fire at the council offices. She paid tribute to the staff who had ensured council services were maintained and despite difficult conditions showed great resilience and high levels of morale. Council supported her comments with a round of applause.

46 Declaration of disclosable pecuniary interest

None.

47 Minutes of the previous meeting

RESOLVED: to approve the minutes of the meetings held on 11 December 2014 as correct records subject to the inclusion of Mr Steve Connel in the list of apologies and agree that the Chairman sign them as such.

48 Chairman's announcements

The chairman thanked all councillors for their hard work over the council's four year term. She wished those standing for re-election good fortune and those standing down best wishes for life beyond the council.

She reported that Ms A Purse, Chairman of Oxfordshire County Council, had invited her to attend the Commonwealth flag raising ceremony on 9 March.

On behalf of Council she congratulated Mr Steve Bshop, Strategic Director, and his wife on their recent marriage held on 14 February.

49 Questions from the public and public participation

Mr Matt Rodda addressed Council in support of a third Reading bridge. He stated that a third bridge would reduce the chronic delays caused by floods closing Sonning Bridge which had blighted Caversham, Emmer Green, Reading and the surrounding area including Woodley and Earley, South Oxfordshire and other parts of Berkshire. A flood proof bridge to the east of Reading would be mainly for local traffic and would not be part of a new motorway to the M40. On behalf of the campaign he called on Oxfordshire County Council, South Oxfordshire District Council and the Oxfordshire Local Enterprise Partnership to recognise the benefits to their communities of a third bridge and to work with Reading and Wokingham councils and Thames Valley Berkshire Local Enterprise Partnership on drawing up agreed plans and a timetable which would then be the basis of bids for any available Government funds.

The chairman thanked Mr Rodda and indicated that the council would take his comments into account when it considers a third bridge proposal.

50 Questions under Council procedure rule 34

Question from Mrs Hards to Rev'd Angie Question Paterson Cabinet member for planning

"At the end of last year the government revised to ten units the threshold below which local planning authorities would not be able to require a proportion of new housing to be affordable. However, for Areas of Outstanding Natural Beauty local planning authorities may reduce this threshold to five to recognise the fact that development sites here tend to be smaller.

Is the Council intending to adopt such a policy?"

Answer

"Our approach is that in the Area of Outstanding Natural Beauty (we do not have designated rural areas) we will keep the existing threshold of three units that is set in

the Core Strategy, and seek commuted sums towards off-site affordable housing from this threshold up to ten units. This is in recognition of the fact that South Oxfordshire has a high level of affordable need as is evidenced in the Oxfordshire Strategic Housing Market Assessment and we are therefore keen to ensure we obtain the maximum provision we can when new homes are built. Whilst this is not in accordance with the NPPG (which states that councils should not seek affordable housing contributions from sites of less than five), we have received legal advice on the status of the NPPG and believe we can maintain this approach on a case by case basis by providing up-to-date evidence on viability.

Our existing policy in the Core Strategy will be updated through the emerging Local Plan process to seek commuted sums rather than on site provision.

In summary, yes we will be applying the Government's approach. As it is already national planning guidance we do not need to adopt it".

Supplementary question

As her supplementary question Mrs Hards asked if the commuted sums would be used to support affordable housing in rural areas.

Rev'd A Paterson undertook to provide a written response.

51 Community infrastructure levy - draft charging schedule

Council considered Cabinet's recommendations, made at its meeting on 12 February 2015, on the consultation comments received on the Community Infrastructure Levy Preliminary Draft Charging Schedule and changes to the Draft Charging Schedule for public consultation and submission to the Secretary of State for formal examination.

RESOLVED: to

1. publish for public consultation the Community Infrastructure Levy Draft Charging Schedule and supporting documents (Viability Study, Draft Regulation 123 list, Infrastructure Planning and Funding Gap Report, Infrastructure Delivery Plan, responses on the CIL Preliminary Draft Charging Schedule, Statement of the Representations Procedure) for a period of four weeks, and thereafter
2. authorise the head of planning in consultation with the Cabinet member for planning policy to submit the Community Infrastructure Levy Draft Charging Schedule and supporting documents and evidence, together with the Consultation Statement and summary of consultation responses received, to the Secretary of State for independent examination in accordance with the CIL Regulations 2010 (as amended).
3. authorise the head of planning in consultation with the Cabinet member for planning policy, to make minor changes and corrections to the Draft Charging Schedule and associated documents.

52 Treasury management mid-year report 2014/15

Council considered Cabinet's recommendations, made at its meeting on 12 February 2015, on the treasury management activities for the first six months of 2014/15.

RESOLVED: to

1. approve the treasury management mid-year monitoring report 2014/15; and
2. note that Cabinet is content with the mid-year treasury management performance for 2014/15.

53 Treasury management strategy 2015/16 to 2017/18

Council considered Cabinet's recommendations, made at its meeting on 12 February 2015, on the approval of the council's treasury management strategy (TMS) for 2015/16 to 2017/18.

RESOLVED: to approve

1. the treasury management strategy 2015/16 set out in appendix A to the head of finance's report to Cabinet on 12 February 2015;
2. the prudential indicators and limits for 2015/16 to 2017/18 as set out in table 2, appendix A to the head of finance's report; and
3. the annual investment strategy 2015/16 set out in appendix A (paragraphs 23 to 58) and the lending criteria detailed in table 5 to the head of finance's report.

54 Medium term financial strategy 2015/16 - 2019/20

Council considered Cabinet's recommendation, made at its meeting on 12 February 2015, on the medium term financial strategy for 2015/16 to 2019/20.

RESOLVED: to approve the Medium Term Financial Strategy for 2015/16 to 2019/20 as attached to the head of finance's report to the Cabinet meeting of 12 February 2015.

55 Budget 2015/16

The chairman referred to regulations which came into force on 25 February 2014 that required councils to record the names of those councillors voting in favour, against or abstaining from any vote on the budget, including amendments, and the council tax. In accordance with the regulations she would call for a named vote on each of these matters at this meeting.

The chairman reminded councillors that they were not entitled to vote on any issue affecting the level or administration of the council tax or other decisions which might affect the making of any such calculation such as the budget, if they were over two months in arrears with their council tax payments. Where such circumstances applied, councillors were under a statutory obligation to disclose the restriction placed on them and refrain from voting at the relevant meeting. No councillor made any such declaration.

Council noted the report of the chief finance officer on the robustness of the budget estimates and the adequacy of the reserves.

Mr W Hall, Cabinet member for finance, presented the Cabinet's proposals for the revenue budget 2015/16 and capital programme to 2019/20.

Mr W Hall moved and Mr J Cotton seconded a motion to approve Cabinet's recommendations as follows:

That Council:

- (a) sets the revenue budget for 2015/16 as set out in appendix A.1 to the head of finance's report to Cabinet on 12 February 2015;
- (b) approves the capital programme for 2015/16 to 2019/20 as set out in appendix D.1 to the head of finance's report, together with the capital growth bids set out in appendix D.2 of this report;
- (c) sets the council's prudential limits as listed in appendix E to the head of finance's report;
- (d) approves the medium term financial plan to 2019/20 as set out in appendix F to the head of finance's report; and
- (e) allocates £1,000,000 to fund the Communities Capital Grant Scheme.

Mr D Turner moved and Mrs E Hards seconded an amendment to the above budget in the following terms:

That Council sets the revenue budget and capital programme taking account of the proposed changes as set out in the schedule - "opposition forum budget proposal"(attached to the minute book copy of these minutes). to:

- create a budget to support the introduction of civil parking enforcement
- provide additional funding for the deep street cleansing programme
- freeze council tax.

A number of councillors spoke in support of the amendment. The freeze in council tax would allow the council to build up reserves in anticipation of further cuts to central government funding and the uncertainty surrounding New Homes Bonus funding. The additional funding to the deep cleanse street clean growth bid would increase the coverage of the programme to the benefit of residents across the district. Funding to support the set up costs of civil parking enforcement (CPE) and the ongoing running costs would address the current lack of on street parking enforcement, address congestion caused by illegal parking and improve the quality of life for those residents living in the areas affected mainly near train stations and bus stops.

A number of councillors spoke against the amendment. Freezing the council tax was unnecessary despite the uncertainty in government and New Homes Bonus funding as the council had sufficient reserves and should only charge residents for the cost of the services it provided. The proposed introduction of CPE was not supported by three of the five district councils in Oxfordshire and therefore the cost to the council would increase. It was possible to enforce on street car parking without CPE as successfully evidenced in other areas of the district working in partnership with the police and police community support officers. CPE would make the towns less attractive for visitors and shoppers. Additional funding, above that provided for in the

Cabinet’s budget, was not required for the deep cleanse street clean programme because of negotiations with the council’s contractor, Biffa, to provide additional coverage.

The chairman called for a recorded vote on the amendment which was lost with the votes recorded as follows:

FOR	AGAINST	ABSTAIN
Mr R Bell	Ms J Bland	Mrs A Midwinter
Mr D Bretherton	Mr F Bloomfield	
Mr B Cooper	Mrs D Brown	
Mrs M Davies	Mrs J Carr	
Mr M Gray	Mr S Connel	
Mrs E Hards	Mr J Cotton	
Mrs E Hodgkin	Mr P Cross	
Mrs D Macdonald	Mrs P Dawe	
Mrs A Purse	Mr D Dodds	
Mr D Turner	Mrs E Gillespie	
Mrs J Wood	Mr W Hall	
	Mr T Harbour	
	Mr N Harris	
	Mr P Harrison	
	Dr C Hood	
	Mr M Leonard	
	Ms L Lloyd	
	Mrs J Nimmo-Smith	
	Rev’d A Paterson	
	Mr B Service	
	Mr R Simister	
	Mrs P Slatter	
	Mrs M Turner	
11	23	1

Councillors supporting the Cabinet’s budget revenue and capital budget proposals expressed the view that it included increased investment in services yet proposed a three per cent council tax reduction.

The chairman called for a recorded vote on the motion which was carried with the votes recorded as follows:

FOR	AGAINST	ABSTAIN
Ms J Bland	Mr R Bell	Mrs A Midwinter
Mr F Bloomfield	Mr D Bretherton	
Mrs D Brown	Mr B Cooper	
Mrs J Carr	Mrs M Davies	
Mr S Connel	Mr M Gray	
Mr J Cotton	Mrs E Hards	
Mr P Cross	Mr N F Harris	
Mrs P Dawe	Mrs E Hodgkin	
Mr D Dodds	Mrs D Macdonald	
Mrs E Gillespie	Mrs A Purse	
Mr W Hall	Mr D Turner	
Mr T Harbour	Mrs J Wood	
Mr P Harrison		
Dr C Hood		
Mr M Leonard		
Ms L Lloyd		
Mrs J Nimmo-Smith		
Rev'd A Paterson		
Mr B Service		
Mr R Simister		
Mrs P Slatter		
Mrs M Turner		
22	12	1

RESOLVED: to

1. set the revenue budget for 2015/16 as set out in appendix A.1 to the head of finance's report to Cabinet on 12 February 2015;
2. approve the capital programme for 2015/16 to 2019/20 as set out in appendix D.1 to the head of finance's report, together with the capital growth bids set out in appendix D.2 of this report;

3. set the council's prudential limits as listed in appendix E to the head of finance's report;
4. approve the medium term financial plan to 2019/20 as set out in appendix F to the head of finance's report; and
5. allocate £1,000,000 to fund the Communities Capital Grant Scheme.

56 Council tax 2015/16

Council considered the report of the head of finance on the setting of the Council Tax for the 2015/16 financial year.

Mr Hall moved and Mr Cotton seconded the recommendations as set out in the report.

In accordance with new regulations requiring councils to record the names of those councillors voting in favour, against or abstaining from any vote on the council tax the Chairman called for a recorded vote with the voting being as follows:

FOR	AGAINST	ABSTAIN
Ms J Bland		Mr R Bell
Mr F Bloomfield		Mr B Cooper
Mr D Bretherton		Mrs M Davies
Mrs D Brown		Mrs E Hards
Mrs J Carr		Mr N F Harris
Mr S Connel		Mrs D Macdonald
Mr J Cotton		Mrs A Midwinter
Mr P Cross		Ms A Purse
Mrs P Dawe		Mr D Turner
Mr D Dodds		Mrs J Wood
Mrs E Gillespie		
Mr M Gray		
Mr W Hall		
Mr T Harbour		
Mr P Harrison		
Mrs E Hodgkin		
Dr C Hood		
Mr M Leonard		
Ms L Lloyd		

FOR	AGAINST	ABSTAIN
Mrs J Nimmo-Smith		
Rev'd A Paterson		
Mr R Simister		
Mrs P Slatter		
Mrs M Turner		
24	0	10

RESOLVED:

1. to note that at its meeting on 11 December 2014 the council calculated the council tax base 2015/16:
 - (a) for the whole council area as **54,233.6** [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - (b) for dwellings in those parts of its area to which a parish precept relates as in column 1 of appendix 1 of the report of the head of finance to Council on 19 February 2015.
2. that the council tax requirement for the council's own purposes for 2015/16 (excluding parish precepts) is £6,032,946
3. that the following amounts be calculated for the year 2015/16 in accordance with Sections 31 to 36 of the Act:
 - (a) £78,274,901 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by parish councils.
 - (b) £68,053,366 being the aggregate of the amounts which the council estimates for the items set out in Section 31A(3) of the Act.
 - (c) £10,221,535 being the amount by which the aggregate at (3)(a) above exceeds the aggregate at (3)(b) above, calculated by the council, in accordance with Section 31A(4) of the Act as its council tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - (d) £188.47 being the amount at (3)(c) above (Item R), all divided by Item T (1(a) above), calculated by the council, in accordance with Section 31B of the Act, as the basic amount of its council tax for the year (including parish precepts).
 - (e) £4,188,589 being the aggregate amount of all special items referred to in Section 34(1) of the Act, as set out in column 2 of appendix 1 of the report of the head of finance to Council on 19 February 2015.
 - (f) £111.24 being the amount at (3)(d) above less the result given by dividing the amount at (3)(e) above by Item T (1(a) above), calculated by the council, in accordance with Section 34(2) of the Act, as the basic amount of its council tax for the year for dwellings in those parts of its area to which no parish precept relates.

4. to note that for the year 2015/16 Oxfordshire County Council has stated the following amounts in precepts issued to the council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	£821.64
Band B	£958.58
Band C	£1,095.52
Band D	£1,232.46
Band E	£1,506.34
Band F	£1,780.22
Band G	£2,054.10
Band H	£2,464.92

5. to note that for the year 2015/16 the Police and Crime Commissioner for Thames Valley has stated the following amounts in precepts issued to the council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Band A	£109.13
Band B	£127.32
Band C	£145.51
Band D	£163.70
Band E	£200.08
Band F	£236.46
Band G	£272.83
Band H	£327.40

6. in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, to set the aggregate amounts shown in appendix 3 of the report of the head of finance to Council on 19 February 2015 as the amounts of council tax for 2015/16 for each part of its area and for each of the categories of dwellings shown in appendix 3 of the report of the head of finance to Council on 19 February 2015.
7. to note the allocation of the town and parish element of the council tax reduction scheme grant payable to each parish shown in appendix 4 of the report of the head of finance to Council on 19 February 2015.
8. to determine that the council's basic amount of council tax for 2015/16 is not excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

57 Pay policy statement 2015-16

Council considered the report of the head of HR, IT and technical services on the adoption of a pay policy statement to meet the requirements of the Localism Act.

RESOLVED: to approve the pay policy statement for 2015-16 attached to the report of the head of HR, IT and technical services to Council on 19 February 2015.

58 Urgent Cabinet decision

In accordance with the overview and scrutiny procedure rules, Mr J Cotton, Leader of the council reported that on 20 December 2014 he took a decision to transfer £1,000,000 from the provisional capital programme to the approved capital programme to deliver the extension of the Better Broadband for Oxfordshire programme for South Oxfordshire and approve a virement of £90,000 from contingency in 2014/15 to provide additional funding for the delivery of the broadband project. The chairman of the scrutiny committee agreed to waive call-in because any delay could impact on the timetable for the delivery of the project and prejudice both the council's and the public's interests.

59 Motions under Council procedure rule 41

Rev'd A Paterson moved and Mr R Simister seconded the following motion:

'Council places on record its sincere thanks and appreciation to its emergency team in particular, and all officers, for their efforts and resilience in ensuring the restoration of services following the devastating fire at the Crowmarsh offices. Council also thanks John Cotton, Leader of the council, for his additional commitment and support during this time. Council would also like pay tribute to the fire service and police for their tremendous work and support.'

In moving the motion Rev'd A Paterson made special reference to the following officers: Adrianna Partridge; Sandra Wildern; Simon Turner and the IT team generally; Shona Ware and the communications team generally; John Backley and the facilities team generally; Bob Watson; Andrew Down; Steve Bishop; Mel Cripps; Daniel Tooke; and Ben Watson.

An amendment moved by Mr D Turner and seconded by Mr N Harris to add the words "and also thank the residents of South Oxfordshire for their understanding and support" was accepted by the mover and seconder of the original motion with the consent of Council.

RESOLVED (unanimously):

That Council places on record its sincere thanks and appreciation to its emergency team in particular, and all officers, for their efforts and resilience in ensuring the restoration of services following the devastating fire at the Crowmarsh offices. Council also thanks John Cotton, Leader of the council, for his additional commitment and support during this time. Council would also like pay tribute to the fire service and police for their tremendous work and support and also thank the residents of South Oxfordshire for their understanding and support.

The meeting closed at 7.55pm

Chairman

Date

Minutes

OF THE ANNUAL MEETING OF THE

Council



Listening Learning Leading

HELD AT 6.00 PM ON THURSDAY 21 MAY 2015

THE FOUNTAIN CONFERENCE CENTRE, HOWBERY PARK,
CROWMARSH GIFFORD, WALLINGFORD, OX10 8BA

Present:

Ann Midwinter (Chairman) - in the chair for the election of Chairman.

Anna Badcock, Joan Bland, Felix Bloomfield, Kevin Bulmer, Nigel Champken-Woods, Steve Connel, John Cotton, Margaret Davies, Pat Dawe, Anthony Dearlove, David Dodds, Stefan Gawrysiak, Elizabeth Gillespie, Jeannette Matelot Green, Tony Harbour, Paul Harrison, Stephen Harrod, Lorraine Hillier, Elaine Hornsby, Lynn Lloyd, Imran Lokhon, Jane Murphy, Anthony Nash, Toby Newman, David Nimmo-Smith, Richard Pullen, Robert Simister, Alan Thompson, David Turner, Margaret Turner, John Walsh and Ian White

Apologies:

Martin Akehurst, Charles Bailey, Bill Service and Jon Woodley-Shead tendered apologies.

Officers: David Buckle, Steven Corrigan, Susan Harbour, Margaret Reed and Anna Robinson

1 Election of chairman

Mrs Midwinter reviewed her year as Chairman of the council, thanked councillors for all their support and her escort, vice-chairman and Mr Hewer for their assistance during the year. She paid tribute to officers for their continued resilience in the aftermath of the fire at the Crowmarsh offices in January and led Council in showing appreciation with a round of applause.

Mr Cotton and Mr Turner paid tribute to Mrs Midwinter in recognition of her work as Chairman of the council during the past year.

Mrs M Turner was nominated as Chairman.

RESOLVED: to appoint Mrs M Turner as Chairman of the council for the ensuing year.

Mrs Midwinter presented Mrs Turner with the chain of office.

Mrs Turner signed her declaration of acceptance of office, presented Mrs Midwinter with the past Chairman's badge, Mr Turner with the escort's badge and made an acceptance speech.

Mrs Turner in the chair.

2 Appointment of vice-chairman

Mr Harrison was nominated as Vice-Chairman.

RESOLVED: to appoint Mr Paul Harrison as Vice-Chairman of the council for the ensuing year.

The Chairman presented Mr Harrison with the vice-chairman's chain of office.

Mr Harrison read out the oath of office, signed his declaration of acceptance of office and made an acceptance speech.

3 Minutes of the previous meeting

RESOLVED: to approve the minutes of the meeting held on 19 February 2015 as a correct record, subject to the inclusion of Anna Badcock in the list of apologies for absence, and agree that the Chairman sign them as such.

4 Declarations of interest

None.

5 Chairman's announcements

The chairman reported that her charities for the forthcoming year were the Rainbow Trust Children's Charity, which provides emotional and practical support for families who have a child with a life threatening or terminal illness, and Dementia UK Admiral Nurses, which provides specialist dementia nurses who give much-needed practical and emotional support to family carers, as well as the person with dementia.

6 Election of leader of Council

RESOLVED: to elect John Cotton as Leader of the council for a four year period ending on the day of the next post election annual meeting in 2019.

Mr Cotton appointed Jane Murphy as the Deputy Leader of the council and Anna Badcock, Elizabeth Gillespie, Tony Harbour, Lynn Lloyd and Robert Simister as Cabinet members with portfolios as follows:

John Cotton: Leader, corporate strategy and strategic policy (including local plan)

Anna Badcock: leisure, arts, communications, health and well-being and community safety

Elizabeth Gillespie: development management, building control and housing

Tony Harbour: waste, grounds maintenance, food safety and environmental health

Lynn Lloyd: IT, HR, customer services and corporate services project

Jane Murphy: Deputy Leader, finance, legal and democratic services and licensing

Robert Simister: property, economic development and technical services

The Leader's scheme of delegation is appended to these minutes.

7 Appointments to committees, panels and joint committees for 2015/16

Council considered the report of the head of legal and democratic services on the appointment of those committees and joint committees which are required to be politically balanced together with the Communities Capital Grant Scheme Panel and Licensing Acts Committee and appointments to joint bodies.

The Chairman referred to the following recommendation tabled at the meeting covering these appointments and to reflect the allocation of an additional Planning Committee seat to the Opposition Forum group.

That for the 2015/16 municipal year Council:

1. appoints the committees, joint committees and panels and allocates seats to each political group as set in the report and the schedule circulated at the meeting;
2. allocates one of the Conservative group's seat on the Planning Committee to the Opposition Forum group;
3. agrees to amend the Constitution to allow for the chair of the Scrutiny Committee to be from the majority party;
4. appoints councillors and substitutes to sit on the committees and panels as set out in the schedule circulated at the meeting;
5. appoints councillors to the Licensing Acts Committee as set out in the schedule circulated at the meeting;
6. appoints councillors and substitutes to the Communities Capital Grant Scheme Panel as set out in the schedule circulated at the meeting;
7. appoints committee chairmen as set out in the schedule circulated at the meeting;
8. appoints Anna Badcock as the council's representative on the Oxfordshire Joint Health Overview and Scrutiny Committee;
9. appoints Ian White as the council's representative on the Thames Valley Police and Crime Panel;

10. authorises the head of legal and democratic services to make appointments to any vacant committee or panel and substitute positions in accordance with the wishes of the relevant group leader and any external appointments in consultation with the Leader of the Council;
11. authorises the head of legal and democratic services to amend the constitution as necessary to reflect the arrangements set out in this report.

In proposing the change to the constitution to remove the restriction on the appointment of a chairman of the Scrutiny Committee from the majority group, Mr Cotton, Leader of the council, stated that he envisaged the committee playing a greater role in policy development. This move was designed to enhance the role of the committee and not to weaken it. He acknowledged concerns raised that this appointment and the reduced number of opposition councillors could prevent the call-in of executive decisions. He asked officers to review the constitutional arrangements to address this.

RESOLVED: to

1. appoint the following committees and panels for the 2015/16 year and to appoint the membership, substitutes and chairmen as indicated to sit on them:

Names	Planning Committee, 11 Members
Conservative (9)	Opposition Forum Group (2)
Martin Akehurst	Margaret Davies
Joan Bland	David Turner
Felix Bloomfield (Chairman)	
Anthony Dearlove	
Jeannette Matelot Green	
Lorraine Hillier	
Toby Newman	
Richard Pullen	
Margaret Turner	
SUBSTITUTES	
Conservative (9)	Opposition Forum Group (1)
Charles Bailey	Stefan Gawrysiak
Paul Harrison	
Stephen Harrod	
Elaine Hornsby	
Imran Lokhon	
David Nimmo-Smith	
Ian White	
Jon Woodley-Shead	

Names	Scrutiny Committee, 9 Members
Conservative (8)	Opposition Forum Group (1)
Steve Connel	David Turner
Pat Dawe	
Jeannette Matelot Green	
Paul Harrison	
Imran Lokhon	
Richard Pullen (Chairman)	
John Walsh	
Ian White	
SUBSTITUTES	
Conservative (8)	Opposition Forum Group (2)
Joan Bland	Margaret Davies
Anthony Nash	Stefan Gawrysiak
Toby Newman	
David Nimmo-Smith	
Bill Service	

Names	Joint Scrutiny Committee, 5 Members
Conservative (5)	Opposition Forum Group (0)
Martin Akehurst	
David Dodds	
Richard Pullen (Co-Chairman)	
Bill Service	
Jon Woodley-Shead	

Names	Joint Scrutiny Committee, 5 Members
SUBSTITUTES	
Conservative (5)	Opposition Forum Group (0)
Pat Dawe	
Jeannette Matelot Green	
Alan Thompson	
Ian White	

Names	Joint Audit and Governance Committee, 4 Members
Conservative (4)	Opposition Forum Group (0))
Charles Bailey	
Kevin Bulmer (Co-Chairman)	
Alan Thompson	
John Walsh	
SUBSTITUTES	
Conservative (4)	Opposition Forum Group (0)
Paul Harrison	
David Nimmo-Smith	
Richard Pullen	

Names	Community Governance and Electoral Issues Committee, 6 Members
Conservative (5)	Opposition Forum Group (1)
Nigel Champken-Woods	Margaret Davies
Anthony Dearlove	
Paul Harrison (Chairman)	
Lorraine Hillier	
Bill Service	
SUBSTITUTES	
Conservative (5)	Opposition Forum Group (2)

Felix Bloomfield	Stefan Gawrysiak
Elaine Hornsby	David Turner
John Walsh	
Jon Woodley-Shead	

Names	General Licensing Committee, 12 Members
Conservative (10)	Opposition Forum Group (2)
Kevin Bulmer	Margaret Davies
Nigel Champken-Woods	Stefan Gawrysiak
Pat Dawe	
David Dodds (Chairman)	
Stephen Harrod	
Lorraine Hillier	
Anthony Nash	
David Nimmo-Smith	
Ian White	
Jon Woodley-Shead	
SUBSTITUTES	
Conservative (10)	Opposition Forum Group (1)
	David Turner

Names	Licensing Acts Committee, 12 Members
Conservative (10)	Opposition Forum Group (2)
Kevin Bulmer	Margaret Davies
Nigel Champken-Woods	Stefan Gawrysiak
Pat Dawe	
David Dodds (Chairman)	
Stephen Harrod	
Lorraine Hillier	
Anthony Nash	
David Nimmo-Smith	
Ian White	
Jon Woodley-Shead	

Names	NNDR Appeals Panel, 5 Members
Conservative (5)	Opposition Forum Group (0)
Joan Bland	
Nigel Champken-Woods	
Elaine Hornsby	
Imran Lokhon	
Anthony Nash	
SUBSTITUTES	
Conservative (5)	Opposition Forum Group (0)

Names	Housing Appeals Panel, 5 Members
Conservative (5)	Opposition Forum Group (0)
Martin Akehurst	
David Dodds	
Jeannette Matelot Green	
Elaine Hornsby	
Alan Thompson	
SUBSTITUTES	
Conservative (5)	Opposition Forum Group (0)

Names	Communities Capital Grant Scheme Panel (formerly CIF), 9 Members
Conservative (8)	Opposition Forum Group (1)
	Stefan Gawrysiak
SUBSTITUTES	
Conservative (8)	Opposition Forum Group (2)
	Margaret Davies
	David Turner

2. (with no councillor voting against) allocate one of the Conservative group's seat on the Planning Committee to the Opposition Forum group;
3. amend the Constitution to allow for the chair of the Scrutiny Committee to be from the majority party;
4. appoint Anna Badcock as the council's representative on the Oxfordshire Joint Health Overview and Scrutiny Committee;
5. appoint Ian White as the council's representative on the Thames Valley Police and Crime Panel;
6. authorise the head of legal and democratic services to make appointments to any vacant committee or panel and substitute positions in accordance with the wishes of the relevant group leader and any external appointments in consultation with the Leader of the council;
7. authorise the head of legal and democratic services to amend the constitution as necessary to reflect the arrangements set out in this report.

8 Councillors' allowances

Council considered the report of the head of legal and democratic services and the accompanying independent remuneration panel's report on the councillors' allowances scheme.

John Cotton moved and Jane Murphy seconded a revised set of allowances circulated at the meeting. In moving the motion Mr Cotton stated that the council could afford an increase in allowances having the sixth lowest council tax in the country. The proposed allowances would still be lower than the average for the South East of England and the cost could be met from the contingency budget and not impact on the level of council tax. It was important that the level of allowances should not dissuade people from standing as a councillor or taking on a position of responsibility and, although the allowance should not be considered a salary, a councillor should not be out of pocket for doing so. The proposed rates reflected the allowances paid at Vale of White Horse District Council. This was a logical move given the alignment of officer remuneration across South Oxfordshire and Vale of White Horse district councils and the continued integration between the two councils.

The view was expressed that the proposed reduction in the level of special responsibility allowance for the chairman of the Scrutiny Committee did not reflect the significant level of responsibility of the role and served to downgrade its importance.

A minority of councillors, whilst supporting the proposals of the independent remuneration panel, did not support the higher overall levels tabled at the meeting. However, the vast majority of councillors supported the revised scheme as attached to these minutes.

RESOLVED: to

1. agree a revised councillors' allowances scheme for 2015/16, as attached to these minutes, with effect from 11 May 2015;
2. authorise the head of legal and democratic services to implement and advertise the scheme, and make any consequential amendments to the constitution.

9 Urgent Cabinet decisions

In accordance with the overview and scrutiny procedure rules, Council noted that the following decisions were taken as a matter of urgency since the last Council meeting:

- On 20 February 2015 Rev'd Angie Paterson took a decision to undertake a Regulation 18 issues and scope consultation for the Science Vale Area Action Plan. The chairman of the scrutiny committee agreed to waive call-in to allow the consultation process to begin recognising that the committee had commented on the plan;
- On 15 March 2015 Lynn Lloyd took a decision to transfer £45,000 from the capital contingency budget within the provisional capital programme to the approved capital programme and to create a capital budget for the purchase of new polling booths for the May 2015 elections. The chairman of the scrutiny committee agreed to waive call-in to allow a formal order before the end of the financial year and to ensure delivery in time for the elections.

The meeting closed at 6.47

Chairman

Date

South Oxfordshire District Council only

SCHEME OF DELEGATION OF THE LEADER OF THE COUNCIL TO CABINET MEMBERS AND OFFICERS

Introduction

1. The Local Government Act 2000 provides that the leader may discharge any executive functions or may arrange for the discharge of any of those functions by the cabinet, by another member of the cabinet, by a committee of the cabinet or by an officer of the council.
2. This scheme of delegation to cabinet members and to officers is made pursuant to the Local Government Act 2000 and was approved by the leader of the council on 21 May 2015 and came into force immediately. This scheme replaces all previous schemes.
3. The scheme may be amended by the leader of the council at any time during the year. The scheme is subject to the general terms and conditions described below.

Terms and conditions

4. Any decision taken by a cabinet member under this scheme of delegation shall only be taken having regard to any advice from the strategic director responsible for the relevant function associated with the decision.
5. Any decision which could attract to the council adverse legal consequences shall be taken after consultation with the monitoring officer.
6. Any decision which could attract adverse financial implications shall be taken after consultation with the chief finance (section 151) officer.
7. Where functions may be discharged by a cabinet member under this scheme of delegation the cabinet member may arrange for the discharge of any of those functions by an officer of the council.
8. Any cabinet member exercising any delegated powers under this scheme also has the power to do anything which is calculated to facilitate or is conducive or incidental to the exercise of such delegated powers.
9. Once a cabinet member has exercised any delegated power under this scheme, he or she shall make a record of the decision which shall include the views of any officer consulted on the issue. The record of the decision shall be forwarded by the cabinet member or officer immediately to democratic services.

Responsibility for executive functions

10. The following cabinet members are responsible and are delegated authority to take decisions in respect of the functions and projects set out below until they are amended or withdrawn by the leader in writing.

John Cotton: Leader, corporate strategy and strategic policy (including local plan)

Anna Badcock: leisure, arts, communications, health and well-being and community safety

Elizabeth Gillespie: development management, building control and housing

Tony Harbour: waste, grounds maintenance, food safety and environmental health

Lynn Lloyd: IT, HR, customer services and corporate services project

Jane Murphy: Deputy Leader, finance, legal and democratic services and licensing

Robert Simister: property, economic development and technical services

11. I delegate authority to the chief executive to discharge all executive functions and to request any member of the cabinet to act on behalf of the leader in the leader's and deputy leader's absence.

Scrap Metal Sub-Committee

12. I establish a Scrap Metal Sub-Committee (known as a Panel) comprising any three members of the Cabinet, to include the Cabinet member for environmental health if he/she is available, to consider contested applications and authorise the head of legal and democratic services to invite an appropriate panel to conduct a scheduled hearing.

Councillor John Cotton

21 May 2015



Listening Learning Leading

Councillors' allowances scheme from 11 May 2015

1. South Oxfordshire District Council, in exercise of the powers conferred by the Local Authorities (Members Allowances) (England) Regulations 2003, considered the report of its appointed Independent Remuneration Panel and approved the following scheme on 21 May 2015.
2. The scheme has effect from 11 May 2015.
3. In this scheme:
 - (a) 'councillor' means an elected councillor of the district council (the Council)
 - (b) 'co-opted member' means a person (other than a councillor) formally co-opted by resolution on to a committee of the Council for more than one meeting.
 - (c) 'calendar year' means a period 1 January to 31 December; 'financial year' means a period 1 April to 31 March; 'municipal year' means a period between Annual Council meetings.

Basic Allowance

4. Each councillor shall be paid a basic allowance of £4,575 for the financial year.

Co-opted members of committees

5. Other than the award of a basic allowance, this scheme applies to co-opted members on the same basis as to councillors.

Special Responsibility Allowances

6. The following special responsibility allowances are paid per annum to those councillors holding positions of:

Position of special responsibility	Allowance per annum
Chairman of Council	£4,840
Vice-Chairman of Council	£1,210
Leader of the Council	£18,151

Other Cabinet members	£8,470
Chairman of Scrutiny Committee	£2,040
Chairman of Planning Committee	£4,840
Chairman of the Audit and Corporate Governance Committee	£1,210
Chairman of the Licensing Acts Committee	£510
Chairman of General Licensing Committee	£2,040
Leader of an Opposition Group	£1,210

7. Where a councillor is entitled to more than one special responsibility allowance, only the higher or highest special responsibility allowance shall be paid.
8. Chairmen and vice chairman of committees not listed here are not paid a special responsibility allowance.
9. If the council abolishes a committee, any relevant special responsibility allowance will cease.
10. If the remit of any committee is substantially altered, the existing special responsibility allowance shall continue to be paid until the Independent Remuneration Panel decides to recommend otherwise.

Travel and subsistence allowance

11. Travel and subsistence allowances shall be paid where a councillor has necessarily incurred costs on travel or subsistence in carrying out any approved duty specified in Schedule 1 to this scheme.
12. The amount of travel and subsistence allowances payable shall be at the maximum levels payable to council staff in line with the HM Revenue and Customs' rates.
13. Mileage claims can be made for travel between home and the meeting place(s) but normally in no other circumstances.
14. When it is impossible or impractical to use public transport or a councillor's normal private transport then, with the prior approval of the Head of Legal and Democratic Services, the actual fare by taxi/private hire vehicle together with reasonable gratuity (up to 10 per cent of the fare) will be paid on submission of a receipt.

15. In cases where prior approval was not sought or given, a claim for mileage by private car can be made. In cases of urgency retrospective approval can be requested of the Head of Legal and Democratic Services.
16. Where it is impossible or impractical for a councillor to use their private transport or use public transport due to a disability, then the councillor may seek approval from the Head of Legal and Democratic Services to use a taxi or private hire vehicle to travel to attend meetings or events specified as an approved duty in Schedule 1 to this scheme. This approval shall be effective until the councillor's re-election when a new approval will be required. The council will pay the actual fare together with reasonable gratuity (up to 10 per cent of the fare) on submission of a receipt.
17. Claims must be made on the correct form, signed, and sent to democratic services.

Carer's Allowance

18. A carer's allowance shall be paid where a councillor has necessarily incurred expenditure for the care of one or more children or a dependent relative while undertaking any of the approved duties specified in Schedule 1 to this scheme. This allowance shall be no more than the costs incurred up to the following hourly limits and include a reasonable time for travel and 15 minutes for hand-over:

Childcare	Up to £6.50 per hour (in line with the national minimum wage)
Dependent Relative Care	Up to £17 per hour

19. Claims are not restricted to care provided by formal carers but every claim must be supported by a receipt or invoice.
20. Any amount exceeding the hourly limit will be paid only in exceptional circumstances.
21. A councillor cannot claim for more than one carer at the same time.

Claims and payments

22. Where councillors attend a meeting at which they are representing more than one council or organisation, they must ensure they claim travel, subsistence and carer's allowances from one council or organisation only.
23. Any claim for payment of travel, subsistence and carer's allowances under this scheme shall be made in writing on the correct claim form within two months of the date of the duty to which the claim relates. Claims must be sent to Democratic Services (email: democratic.services@southandvale.gov.uk).
24. Mileage claims will not be paid unless supported by a VAT receipt for petrol. Other claims will not be paid unless dated receipts confirming the expenditure incurred are provided.

25. Basic allowances and special responsibility allowances will be paid monthly in instalments of one-twelfth of the annual amount payable. Payments will be made by BACS transfer on the same date as officers are paid. Travel and subsistence claims will be paid along with the basic allowances and special responsibility allowances.

Payment of basic allowances and special responsibility allowances

26. Councillors wishing to claim such allowances must supply Payroll with such information as is required to permit payments to be made by BACS transfer and for tax and national insurance to be deducted. Any councillor not supplying these details within three months of election will be deemed to have elected to forego their entitlement to such allowances.
27. Any councillor may elect to forego any part of their entitlement to allowances under this scheme. If a councillor does not want to be paid their basic allowance or special responsibility allowance they must inform the Head of Legal and Democratic Services in writing.
28. If a councillor later wishes to start being paid a basic allowance or special responsibility allowance they must inform the Head of Legal and Democratic Services in writing. They may not claim for more than three months' backdated allowances.
29. A councillor who has elected to forego all or part of his/her basic allowance and/or special responsibility allowance is still entitled to claim travel, subsistence, and carer's allowances.

Part year entitlements and when allowances start

30. Where a councillor becomes or ceases to be a councillor, or accepts or relinquishes any special responsibility for which an allowance is paid, allowances will be paid pro-rata to the number of days during the financial year in which he was a councillor or held the special responsibility.
31. The Chairman and Vice-Chairman of Council shall receive the appropriate special responsibility allowance from the day of his/her election to the specific role, ending on the day of the next annual meeting of the Council.
32. The chairman of a committee shall receive the appropriate special responsibility allowance from the day of his/her election to the specific role, ending on the day of the first meeting of a committee in the municipal year where a new chairman is elected to that specific role.
33. The Leader of the Council shall receive the appropriate special responsibility allowance from the day of his/her election as Leader until the day of the next post-election annual meeting or the date he/she ceases to be Leader.

34. A councillor who is nominated as a Cabinet member shall receive the appropriate special responsibility allowance from the date that the Leader states that their responsibility starts. The allowance shall cease on the date that the Leader states that their responsibility ends, or they resign the post, or cease to be a councillor, whichever is the earlier.
35. In a district council election year, all special responsibility allowances except that paid to the Chairman of Council and the Leader of the Council will cease on the fourth day after the date of the election.

Pensions

36. Councillors are not eligible to join the local government pension scheme.

Publicity

37. As soon as practicable after 1 April each year the Head of Legal and Democratic Services will make arrangements for the publication of the total paid to each councillor and co-opted member in each category of allowance in the preceding financial year.

Review of the scheme

38. Regulation 21(e) of the Local Authorities (Members Allowances) (England) Regulations 2003 states that the adjustments to the level of allowances may be determined according to an index, subject to a maximum of four years before its application is reviewed.
39. For four years after this scheme is adopted, allowances payable under this scheme may be increased on 1 April each year subject to Council decision.
40. Basic allowances and special responsibility allowances may be increased by the same percentage as the annual staff pay increase.
41. Travel and subsistence allowances may be increased to the maximum rates payable to officers of the Council in line with the HM Revenues and Customs' rates.

Schedule 1 – approved duties for the purposes of payment of travel, subsistence, and carer’s allowances

Authorisation

1. The Head of Legal and Democratic Services has the authority to approve or refuse any claim.

Meetings – general provision

2. Attendance at any meeting, the holding of which is authorised by the council or a committee or sub-committee or panel, provided that it is a meeting to which members of at least two political groups have been invited.

Council and committee meetings

3. Attendance:
 - (a) at a meeting of the Council or a committee or sub-committee or panel of which the councillor is a member or acting as a substitute member;
 - (b) at a meeting of a committee or sub-committee or panel where the councillor is attending to represent the views of their ward on a report relating to that ward, or to represent the views of their political group, **but not where** the purpose is merely to observe and not to take part in the meeting;
 - (c) by ward councillors at formal visits of a committee accompanied by an officer to a site or event;

Events organised or promoted by the authority

4. Attendance at:
 - (a) training events, seminars and presentations organised by the council;
 - (b) training events, conferences, seminars and tours not organised by the council but previously approved by the Head of Legal and Democratic Services.

Meetings with officers

5. Attendance at:
 - (a) a meeting of one or more councillors called in pursuance of any function of the Council;
 - (b) a meeting with an officer at the council offices or elsewhere (but not purely in relation to ward matters);

- (c) a meeting of a councillor in receipt of a special responsibility allowance (or their deputy) with an officer in relation to the functions for which they receive that allowance, including briefing meetings;
- (d) a meeting for the opening of tenders where such attendance is required by the Council's Constitution;
- (e) a meeting of councillors and officers with other principal authorities.

Meetings outside the council

6. Attendance:

- (a) at properly convened meetings of outside organisations, after appointment by the Leader or Council to those organisations and when acting as a representative of the Council;
- (b) at a meeting of any association of authorities of which the Council is a member;
- (c) solely in the capacity of district councillor at parish and town council meetings within the relevant councillor's ward. Where the councillor is also a parish/town or acting as a county councillor, no allowance shall be paid.

Other duties

- 7. Any other duty approved by the Head of Legal and Democratic Services for the purpose of, or in connection with, discharging the functions of the Council or its committees.

Cases where no allowance can be claimed, unless an officer of the council has formally requested the councillor to attend to represent the council:

- 8. travel as a result of working on ward business, local issues, or individual casework;
- 9. attendance at school governing bodies;
- 10. political group meetings including meetings of more than one group;
- 11. events of a primarily social nature, unless this is a duty undertaken by the Chairman or Vice-Chairman of Council in their official capacity;

Cases where no allowance can be claimed:

- 12. any duty where the allowance should properly have been claimed from another body;

13. visits to sites before committee meetings other than those organised and attended by a council officer;
14. duties of a party political nature;
15. attendance at meetings within the councillor's own ward on business relating only to that ward.

Audit and Governance Committee



Report of Head of Finance

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SODC cabinet member responsible: Councillor Jane Murphy

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VWHDC cabinet member responsible: Councillor Matthew Barber

Telephone: **07816 481452**

E-mail: matthew.barber@whitehorsedc.gov.uk

To: Audit and Governance Committee

DATE: 28 September 2015

Treasury Outturn 2014-15

That Audit and Governance Committee:

1. notes the treasury management outturn report 2014/15,
2. is satisfied that the treasury activities are carried out in accordance with the treasury management strategy and policy, and
3. make any comments and recommendations to cabinets as necessary.

That Cabinet:

Considers any comments from Audit and Governance Committee and recommends Council to:

1. approve the treasury management outturn report for 2014/15;
2. approve the actual 2014/15 prudential indicators within the report.

Purpose of report

1. This report fulfils the legislative requirements to ensure the adequate monitoring and reporting of the treasury management activities and that the councils' prudential indicators are reported to the councils at the end of the year. The report provides details of the treasury activities for the financial year 2014/15.
2. This complies with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA's) Code of Practice on Treasury Management (revised) 2009.

Strategic objectives

3. Effective treasury management is required in order to meet our strategic objective of managing our business effectively. Managing the finances of the authorities in accordance with the treasury management strategy will help to ensure resources are available to deliver our services and meet the councils' other strategic objectives.

Background

4. The councils' treasury activities are strictly regulated by legislation. The CIPFA Prudential Code and CIPFA Treasury Management Code of Practice require a report to be provided to the councils at the end of the financial year.
5. This report provides details on the treasury activity and performance for 2014/15 against prudential indicators and benchmarks set for the year in the 2014/15 treasury management strategy, approved by each council in February 2014. Each council is required to approve this report.
6. Capita Asset Services are the councils' retained treasury advisors. They provide a regular forecast of interest rates and the latest forecast is reproduced at annex 'A'.

Summary of treasury activities during 2014/15

7. The performance of the two councils is summarised in the table below. Detailed performance review is contain in Appendix 1 (SODC) and Appendix 2 (VWHDC).

		South Oxfordshire District Council	Vale of White Horse District Council
1	Average investment balance	£127,831,000	£30,874,514
2	Budgeted investment income	£2,090,000	£355,500
3	Actual investment income	£2,492,767	£430,807
4	Surplus/(deficit) (3) – (2)	£421,605	£75,307
5	Rate of return (3) ÷ (1)	1.950%	1.395%
6	Benchmark rate of return: 3 month LIBID Industry average*		0.43% 0.75%
7	Borrowing	Nil	Nil

*Capita Asset Services - weighted average of 5 fund managers results covering 22 funds.

8. Even with the bank base rate continuing at a half of one percent, which has restricted the investment rates on offer, both councils have exceeded their budgeted income targets. Neither council has had to borrow for long-term capital financing or short-term for cash flow purposes during the year.
9. Both councils continue to invest with regard for security, liquidity and yield, in that order. Detailed reports on the treasury activities for each council are contained in Appendix 1 – South Oxfordshire DC and Appendix 2 – Vale of White Horse DC. A detailed list of both councils' investments as at 31 March 2015 is shown at Annex B.

Treasury management limits on activity

10. Prudential limits. Both councils are required by the Prudential Code to report on the limits set each year in the Treasury Management Strategy. The purpose of these limits is to ensure that the activity of the treasury function remains within certain parameters, thereby mitigating risk and reducing the impact of an adverse movement in interest rates. However, if these limits are set to be too restrictive they may impair the opportunities to reduce costs/improve performance. During the year none of these limits were exceeded. These limits are shown in annex C.
11. Liquidity and yield. The benchmarks for liquidity are set to ensure that sufficient funds can be accessed at short notice. These are set as targets and not definitive limits. The weighted average life (wal) in days sets an indicator for how long investments should be made and the benchmark is a target set to ensure that investments are not made for too long.

Debt activity during 2014/15

12. During 2014/15 there has not been a need for either council to borrow and both councils continue to take a prudent approach to their debt strategy. The prudential indicators and limits set out in annex C provide the scope and flexibility for the Council to borrow in the short-term up if such a need arose for cash flow purposes to support the council(s) in the achievement of their service objectives.

Financial implications

13. The investments made in 2014/15 ensured that both councils exceeded their budgeted targets for investment income. Income earned from investments is used to support the councils' medium term financial plans and contributes to the councils' balances, or supports the in-year expenditure programmes.
14. Looking forward, income is anticipated to remain stable with any increase due to rises in market rates offset by a general reduction in the balances available to invest. This will be reflected in the councils' 2016/17 budgets and medium term financial plans.

Legal implications

15. There are no significant legal implications as a result of the recommendations in this report. Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services and the DCLG Local Government Investment

Guidance provides assurance that the councils' investments are, and will continue to be, within their legal powers.

Conclusion

16. The financial year 2014/15 continued to provide a challenge to treasury management with a difficult environment to invest in. The main factors were:

- low investment returns and difficulty to place long term investments;
- increased counterparty risk – reduced choice of counterparties
- interest rate exposure risk – due to investments held in short-term maturity periods.

17. Despite the uncertainty, both councils continued to make investments during 2014/15 that maintained security and liquidity whilst providing a return that exceeded market benchmarks.

Background papers

- Chartered Institute of Public Finance and Accounting (CIPFA) code of practice for treasury management in the public sector.
- DCLG Local Government Investment Guidance
- CIPFA treasury management in the public services code of practice and cross sectoral guidance notes
- Treasury Management Strategy 2014/15 – Councils in February 2014.

Appendices

1. SODC – detailed treasury performance – 1 April 2014 to 31 March 2015
2. VWHDC – detailed treasury performance – 1 April 2014 to 31 March 2015

Annexes

- A – Forecast of interest rates
- B – List of investments as at 31 March 2015
- C – Prudential indicators
- D – Glossary of terms

Appendix 1

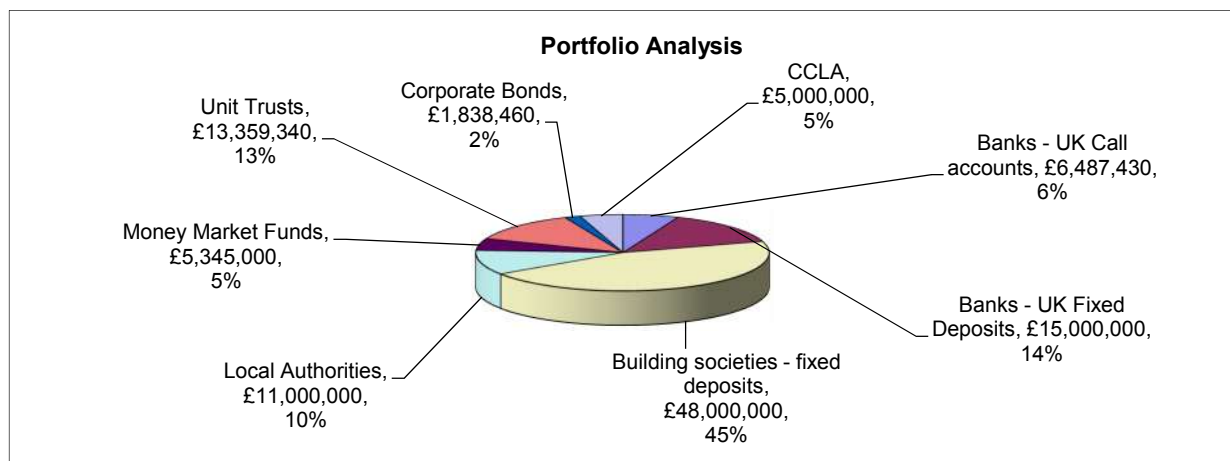
SODC treasury activities in 2014/15

Council investments as at 31 March 2015

1 - 1. The Council's investments, analysed by age as at the end of 2014/15, is shown in table 1 below.

Table 1: maturity structure of investments as at 31 March 2015:	Total £000	% holding
Cash deposits:		
Call account	6,487	6%
Notice account	-	0%
Up to 1 month	6,500	6%
2 month	8,000	8%
3 month	10,000	9%
4 month	9,500	9%
5-6 Month	8,000	8%
7-12 Month	15,000	14%
1 -2 Year	5,000	5%
2-7 Year	12,000	11%
Kaupthing Singer & Friedlander	222	0%
Total cash deposits	80,710	76%
CCLA pooled property fund	5,000	5%
Equities	13,359	13%
Corporate bonds	1,838	1%
Money market funds	5,345	5%
Overall total	106,253	100%

1 - 2. A significant proportion of the portfolio is held in the form of fixed interest rate cash deposits. These provide some certainty over the investment return. The chart below shows in percentage terms how the portfolio is spread across the investment types:



Investment income

1 - 3. The total interest earned on investments during 2014/15 was £2.4 million, compared to the original estimate of £2.1 million, as shown in table 2 below:

Table 2: Investment interest earned by investment type			
Investment type	Interest earned		
	Annual Budget	Actual	Variation
	£000	£000	£000
Call accounts	250	57	(193)
Cash deposits < 1yr	560	725	165
Cash deposits > 1yr	526	219	(307)
MMF	34	17	(17)
Corporate Bonds	120	121	1
Equities	300	409	109
SOHA	0	623	623
CCLA	300	322	22
	2,090	2,493	403

1 - 4. The variation in investment earnings of £403,000 above the original estimate for 2014/15 is due to a number of reasons:

- Interest received on unit trusts was £109,000 higher than forecast due to the overall increase in the value during the year.
- Interest earned on SOHA property was not budgeted as the loan was finalised post budget setting and therefore achieved £623,000 of extra interest income.
- Interest earned on cash deposits was £351,000 lower than forecast due to a significant drop in interest rates achieved.
- Interest earned on CCLA was £22,000 higher due to fluctuations in the price of units held.
- The call accounts earned less interest than forecast as a result of rates reducing on our accounts.
- The unbudgeted SOHA loan had decreased the funds available for other investments.

1 - 5. The actual average interest rate of return achieved for the year was 1.95 per cent.

Movement in the value of investments

1 - 6. Table 3 below shows the movement in value of the Council's investments at the end of the year.

Table 3: Investment portfolio values and movements.	2013/14 £m's	2014/15 £m's	Movement in Investments
Cost Values (£m's)			
Bank & Building Society deposits	81.94	80.71	(1.23)
Money Market Funds	0.93	5.35	4.42
CCLA	5.00	5.00	0.00
Equities	12.51	13.36	0.85
Corporate Bonds	1.95	1.84	(0.11)
	102.33	106.26	3.93

The value of investment deposits fluctuates throughout the year due to cash flow and spending patterns.

Performance measurement

- 1 - 7. A list of investments as at 31 March 2015 is shown in annex B. All investments were with approved counterparties. The average level of investments held was £128 million and the average return on these investments is shown below in table 4. This shows in summary the performance of the council's investments against the benchmarks set out in the Treasury Management Strategy. These benchmarks are used to assess and monitor the council's investment performance for each type of investment.

Table 4: Investment returns achieved against benchmark				
	Benchmark Return	Actual Return	Growth (Below)/above Benchmark	Benchmarks
Bank & Building Society deposits - internally managed	0.43%	1.08%	0.65%	3 Month LIBID
Equities	3.04%	4.95%	1.91%	FTSE All Shares Index
Property related investments (excluding SOHA loan)*	11.98%	10.12%	(1.86%)	IPD balanced property unit trust index
Corporate Bonds	0.50%	9.91%	9.41%	BoE base rate

*source CCLA Local Authorities Property Fund Report March 2015

Note: the benchmark return for unit trusts reflects the movement in capital value. All other benchmarks reflect earnings of investment income. The total actual return for the whole investment portfolio was 1.95 per cent.

- 1 - 8. Bank and building society deposits decreased by £1.23 million during the year from £81.94 million as at 1 April 2014 to £80.71 million by 31 March 2015.
- 1 - 9. Returns on internally managed cash deposits are benchmarked against the three month LIBID rate, which was an average of 0.43 per cent for 2014/15. The performance for the year of 1.08 per cent exceeded the benchmark by 0.65 per cent.
- 1 - 10. It remained difficult to place investments because of continued financial uncertainty. Some good rates were achieved which contributed to the increase in

investment income during the year. The government's Funding for Lending Scheme (FLS) was introduced in August 2012. As a result interest rates at which banks and building societies accepted deposits from local authorities dropped sharply. After this, investments were primarily held in call accounts which offered a better return than the market rates for deposits.

- 1 - 11. Local authority market rates for cash deposits have historically been around the same level as the three month LIBID rate. However, actual rates achieved are dictated by changeable factors, such as cash flow and the market demand for funds. For the purposes of providing comparative performance indicators, the market average rates of interest are shown in table 5.

Table 5: Cumulative performance against benchmark & industry average	Cumulative % returns
Actual	1.08
Benchmark - 3 Month LIBID	0.43
Variance - (Under)/Over benchmark	0.65
Industry average*	0.75
Variance - (Under)/Over Ind Average	0.33

*Source: Capita Asset Services - weighted average of 5 fund managers results covering 22 funds.

Equities

- 1 - 12. The council's holdings with the Legal & General (L&G) UK 100 Index Trust were purchased in 2000/01 at an initial cost of £10 million. This is an authorised unit trust incorporated in the United Kingdom and regulated by the FSA. The trust's objective is to track the capital performance of the UK equity market as represented by the FTSE 100 index.
- 1 - 13. The unit trusts are accounted for in the Council's financial statements at fair value¹. Table 6 below shows the movement in capital value:

¹ Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's-length transaction. In some cases this will be the amount paid for purchasing the investment. This may not always be the case, where there have been substantial transaction costs (as in an investment fund), or where interest payable does not reflect market rates or obligations (as in corporate bonds).

Table 6: Unit Trusts - Movement in capital		
	£	£
Market Value as at 31.3.15		13,359,340
Less:		
Dividends received in year	228,752	
Accrued dividends	180,000	
		(408,752)
Add:		
Disposal in year		-
Amended market value as at 31.3.15		12,950,588
Market value as at 1.4.14		12,509,147
Increase in Market Value in year		441,441

1 - 14. The value quoted in the statement of accounts includes adjustments for accrued interest. In order to assess the true unit trust performance an adjustment must be made to amend the market value². Table 7 below shows the unit trust performance without the accounting adjustments required for the statement of accounts:

1 - 15. The value of the council's unit trusts have increased throughout the year. Volatility in the markets which had previously driven investors to move to safer havens such as gilts, seem to be ignored as investors have moved back to equities in search of better returns, which has seen an increase in equity prices as a whole.

Table 7: Unit Trust performance 1.4.14 - 31.3.15		
Increase in FTSE all share was		3.04%
Increase in Market Value		3.53%
Under-performance		0.49%
	£	
Market Value 1.4.14	12,509,147	
Plus 3.04% FTSE increase	380,278	
Benchmark Market Value at 31.3.15	12,889,425	
Market Value (amended at 31.3.15)	12,950,588	
Over performance 1.4.14 to 31.3.15	61,163	

² Market value: this is the price that would be paid on a specific date.

1 - 16. Dividends received of £0.2 million were reinvested to acquire additional fund units. The unit trusts are benchmarked against the FTSE All Shares Index, which represents 98-99 per cent of the UK market capitalisation. The index shows the performance of all eligible companies listed on the London Stock Exchange main market and today covers 630 constituents with a combined value of nearly £1.8 trillion. It is recognised as the main benchmark for unit trusts.

Corporate Bonds

1 - 17. The Council's corporate bonds are also accounted for in the financial statements at fair value. The opening carrying value for 1 April 2014 was £1.9 million. The closing carrying value at 31 March 2015 was £1.9 million. The carrying values and market values for the corporate bonds are shown in table 8 below:

Table 8: Corporate bond values					
Bonds	Original cost £000's	Nominal Value £000's	Carrying Value as at 1.4.14 £000's	Carrying Value as at 1.4.15 £000's	Market value at 1.4.15
Santander 11.50%	422	270	311	299	312
RBS 9.625%	1,973	1,500	1,589	1,549	1,526
	2,395	1,770	1,900	1,848	1,838

1 - 18. The weighted average return on the Council's corporate bonds for 2014/15 was 9.91 per cent, this significantly exceeded the benchmark return.

1 - 19. The corporate bonds mature on dates between 2015 and 2017. Annual interest earned will remain the same for the whole period a bond is held. Table 9 below shows the redemption yield of the bonds if held until the redemption date.

Table 9: corporate bond redemption yields if held to maturity								
Bank	Interest rate %	Original cost £000	Nominal value £000	Interest to date	Interest due	Redemption value £000	Redemption date	Redemption yield
Santander	11.50%	422	270	334	93	697	04/01/2017	5.59%
RBS	9.63%	1,973	1,500	1,673	239	3,412	22/06/2015	6.20%

Money market funds (MMFs)

1 - 20. Money market funds are commercially run pooled investments. They work rather like unit trusts, but whereas the latter are based upon shares in companies, MMFs rely on loans to companies. As their pooled funds have a high total value, better rates of return can be obtained. Legislation allows authorities to access only those MMFs with the highest possible credit rating (AAA).

- 1 - 21. Access and liquidity, together with high security, have meant these funds have been used throughout the year. The Council currently invests in three MMFs and the amount held in each at the 31 March 2015 is shown below:

Table 10: Money market funds	31/03/2015 £000
Deutsche Bank	265
Blackrock	4,690
Goldman Sachs	390
	5,345

Icelandic bank default – Kaupthing Singer & Friedlander

- 1 - 22. The Council invested £2.5 million in July 2007 with the failed Icelandic bank Kaupthing Singer and Friedlander Ltd (KSF). The Council has received £2,144,488 to date in respect of the claim for £2.6 million (£2.5 million investment plus interest).
- 1 - 23. As a wholesale depositor, the Council is treated as an unsecured creditor in the administration process and ranks equally with all other unsecured creditors. The administrators intend to make further payments at regular intervals. The latest creditors' report now indicates that the estimated total amount to be recovered should be in the range of 84p to 86.5p in the pound. In total terms this would mean receiving between £2,209,901 and £2,275,671.

Land and property

- 1 - 24. The Council holds a portfolio of investment property which includes land, industrial estates, depots, garages and shops that are used on a commercial basis. These assets had a net book value of £15.9 million at 31 March 2015 (£15.9 million at 31 March 2014) and generated income (net of any direct service costs) of £1.1 million in 2014/15 (£1.1million in 2013/14) giving a gross rate of return of 6.9 per cent.
- 1 - 25. The Economy, Leisure and Property (ELP) team manages investment property, ensuring that rent is collected and rent reviews are implemented. The performance of the investment property is assessed annually by ELP to determine if assets should be retained or disposed of and agree any actions to improve or enhance the value of the investment property holdings.

Liquidity and yield

- 1 - 26. The amount maintained for liquidity was £12 million and was above the benchmark – this reflected better than market rates negotiated on call accounts and was not as a need for increased liquidity. The actual for the wal of 290.6 days was within the range set. The reason that the actual was above the benchmark is that during the year the council lent out some longer term investments to spread the investment portfolio and access better returns – like many others, the council is struggling to achieve suitable investment returns in the short to medium term investment market.

1 - 27. The year end position against the original benchmarks approved in February 2014 is shown below:

Table 11: Risk-liquidity against benchmark		
	2014/15 Benchmark £m	2014/15 Actual £m
Bank overdraft*	Nil	0
Short term deposits - minimum available within 1 week	10	12
	2014/15 Benchmark £m	2014/15 Actual £m
Weighted average life (days)	182.5	290.6

*Since 1 April 2014, following the re-tender process for the bank contract, the council no longer has an agreed overdraft facility.

Summary

1 - 28. As at 31 March 2015, the Council's financial investments had a cost value of approximately £107 million. As a result of proactive management of investments held, and despite the low interest rates, during 2014/15 investments generated £2.493 million in investment income, which was £403,000 above the £2.090 million original budgeted estimate.

Appendix 2**VWHDC treasury activities in 2014/15****Council investments as at 31 March 2015**

2 - 1 The council's investments at 31 March 2015 were as follows:

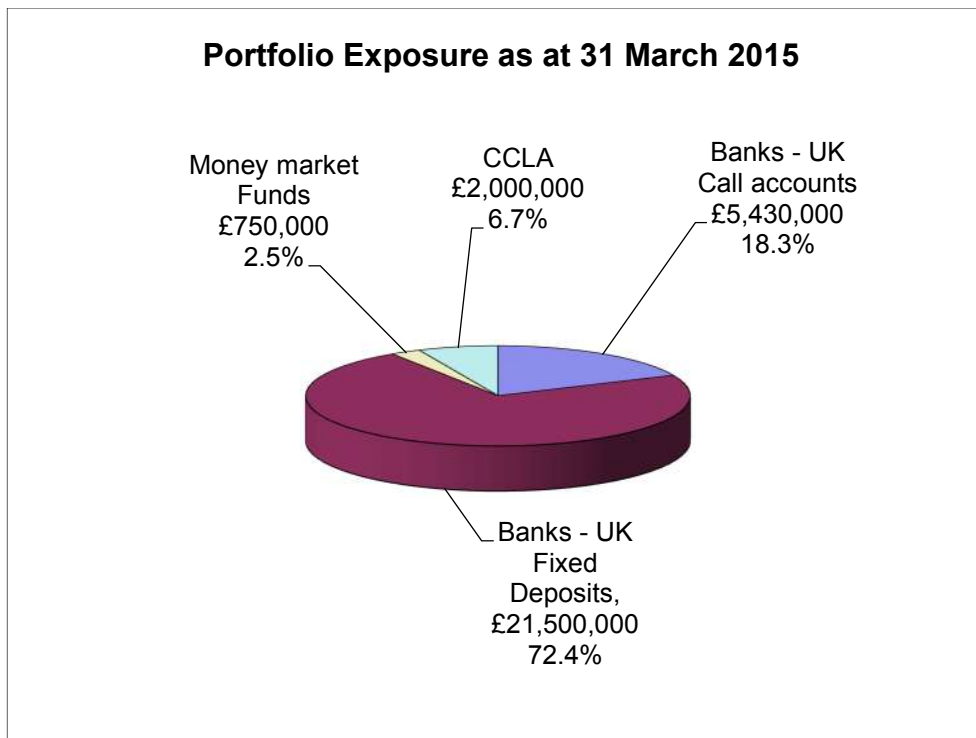
Table 1: maturity structure of investments at 31 March 2015:		
	£000's	% holding
Call	5,430	18%
Money market fund	750	3%
Up to 4 months	4,000	13%
5-6 months	-	0%
6 months to 1 year	13,500	45%
Over 1 year	4,000	13%
Total cash deposits	27,680	93%
CCLA Property Fund	2,000	7%
Total investments	29,680	100%

2 - 2 The majority of the funds invested are held in the form of fixed interest rate and term cash deposits. These provide some certainty over the investment return. The investment profile is organised in order to ensure sufficient liquidity for revenue and capital activities, security of investments and to manage risks within all treasury management activities.

2 - 3 Money market rates over the year have remained very low and flat. One year rates have steadied and are now averaging just below one per cent. The government's Funding for Lending Scheme (FLS) has now completed, but there is still little demand for money in the markets which has perpetuated the low investment rates available. It continues to be difficult to find re-investment opportunities offering a return which also meet the security and risk criteria.

2 - 4 The weighted average maturity period at the end of the year was 484 days. This is mainly due to a long term investment with another local authority.

2 - 5 The chart below shows in percentage terms how the portfolio is spread across investment types:



Investment income

2 - 6 The total investment income achieved in 2014/15 was £432,000 compared to the original budget estimate of £356,000 as shown in table 2 below:

Table 2: Investment interest earned by investment type			
Investment type	Actual Budget £000's	Actual Interest £000's	Variation £000's
Call accounts	236	78	158
Cash deposits	120	226	(106)
MMFs	-	7	(7)
CCLA Property Fund	-	120	(120)
Total Interest	356	431	(75)

2 - 7 The actual return achieved was 21 per cent higher than the original budget. This was due to :

- The maturity period for investments was extended thereby attracting slightly higher rates.
- Average balances throughout the year have remained higher than forecast.

2 - 8 The total actual average interest rate achieved for the year was 1.39 per cent.

Performance measurement

2 - 9 The average level of investments held throughout the year was £30.8 million and the average return on these investments is shown below in table 3.

Table 3: Cumulative performance against benchmark & industry average	Cumulative % returns
Actual	1.39
Benchmark - 3 Month LIBID	0.43
Variance - (Under)/Over benchmark	0.96
Industry average*	0.75
Variance - (Under)/Over Ind Average	0.64

*Source: Capita Asset Services - weighted average of 5 fund managers results covering 22 funds.

2 - 10 The table shows in summary the performance of the council’s investments against the benchmarks set out in the treasury management strategy. These benchmarks are used to assess and monitor the council’s investment performance. The annual investment strategy set the benchmark target for internal cash invested as the 3 month LIBID. The performance for the year of 1.39% exceeded the benchmark by 0.99 per cent and was 1.13 per cent above the industry average.

Land and Property

2 - 11 The council holds a portfolio of non-operational assets, which includes land, offices and shops that are let on a commercial basis. These assets had a net book value of £20.6 million at 31 March 2015 (£20.6 million as at 31 March 2014) and generated income of £1.5 million (£1.5 million in 2013/14). This is equivalent to a gross return of 7.2% (2013/14, 7.2%), which excludes costs such as maintenance and management fees. Due to movement in property values and the exclusion of whole life costs, these rates of return should not be taken as a direct comparison with the treasury rates. The Economy, Leisure and Property (ELP) team manages investment property ensuring that rent is collected and rent reviews are implemented. The performance of the investment property portfolio is assessed annually by the property team to determine if assets should be retained or disposed of.

Icelandic bank default – Landsbanki Islands hf

2 - 12 On the 24 September 2008 the council placed a deposit of £1 million with Landsbanki Islands hf until 24 October 2008 at an interest rate of 5.95 per cent. The bank went into administration on 7 October 2008, and as a result the repayment of the deposit and interest has not been made.

2 - 13 At 24 October 2008, the amount due to be repaid was the principal amount of £1,000,000 plus interest of £4,890.41, giving a total amount of £1,004,890.41.

- 2 - 14 In April 2011 the Reykjavik District Court ruled that local authorities' claims qualified for priority under Icelandic bankruptcy legislation. The decision was appealed to the Icelandic Supreme Court who affirmed the district court's ruling in October 2011. Subsequently the Reykjavik District Court recognised the council's priority claim at £1,004,890.41.
- 2 - 15 At 31 March 2014 the council had received repayments totalling £531,286.57 with the expectation that further repayments would continue to be made until the total amount was repaid. Initial expectations were that full repayment could be by December 2018, but it increasingly became more likely that full repayment would not be before December 2021 and could be considerably or later.
- 2 - 16 Therefore, in October 2014, the council took the opportunity to sell its entire claim via Deutsche Bank AG; this decision was taken due to the tightening restrictions placed on the amount of foreign currency allowed to leave Iceland by the Icelandic government, the ongoing uncertainty about when future repayments would be made and a potential weakening of the position of priority creditors. The council therefore received a final payment of £387,605.86 (net of fees and exchange rate differences) from Deutsche Bank in November 2014 bringing the total received to £932,136.34 resulting in an overall loss of £72,754.07.
- 2 - 17 The loss has been charged to the Income & Expenditure (I&E) account in 2014/15, however due to the effect of accrued interest and impairments made in previous years, the actual amount charged to the I&E account was £37,225.11.

Table 4 Landsbanki hf - financial asset impairment	
Carrying amount at 1 April 2014	373,930.87
Add fees and exchange rate differences	13,243.94
Add accrued interest to 19 November 2014	37,656.16
	424,830.97
Final payment received	(387,605.86)
Loss charged to I&E account	(37,225.11)

- 2 - 18 The council still holds a minimal balance in an Icelandic escrow account which will be monitored with regard to repatriation, but currently the fees and exchange rates mean that the net sum the council would potentially receive makes any potential repatriation unviable.
- 2 - 19 Given the minimal remaining balances, it is not planned to report in detail on this in future treasury reports.

Liquidity and yield

- 2 - 20 The council uses short-term investments to meet daily cash-flow requirements and has also aims to invest a proportion of the portfolio over longer dated cash deposits where possible.
- 2 - 21 The amount maintained for liquidity was £11 million and was above the benchmark – this reflected better than market rates negotiated on call accounts and was not as a need for increased liquidity – there is also a dearth of short-to-medium term investments available at present that offer a reasonable rate of return over and above that on offer from the call accounts and MMFs. The actual for the

wal of 484 days was within the range set. The reason that the actual was above the benchmark is that the council has previously let some long term investments with another local authority in order to spread the investment portfolio and access better returns.

- 2 - 22 The year-end position against the original benchmarks approved in February 2014 is shown below:

Table 11: Risk-liquidity against benchmark		
	2014/15 Benchmark £m	2014/15 Actual £m
Bank overdraft	0	0
Short term deposits - minimum available within 1 week	10	11
	2014/15 Benchmark £m	2014/15 Actual £m
Weighted average life (days)	150.0	484.0

Summary

- 2 - 23 As at 31 March 2015, the council's financial investments portfolio had a value of £29.57million. As a result of proactive management of investments held, and despite the continuing low market interest rates, during 2014/15 these investments generated £432,000 in investment income, which was £76,000 above the £355,500 original budgeted estimate.

Forecast of interest rates as at September 2015

The table below shows Capita Asset Services' forecast of the expected movement in medium term interest rates:

	NOW	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16
BANK RATE	0.50	0.50	0.50	0.50	0.75	0.75
3 month LIBID	0.52	0.50	0.60	0.70	0.80	0.90
6 month LIBID	0.66	0.70	0.80	0.90	1.00	1.10
12 month LIBID	0.98	1.00	1.10	1.20	1.30	1.40
5 yr PWLB	2.10	2.30	2.40	2.50	2.60	2.80
10 yr PWLB	2.80	2.90	3.00	3.20	3.30	3.40
25 yr PWLB	3.40	3.60	3.70	3.80	4.00	4.10
50 yr PWLB	3.40	3.60	3.70	3.80	4.00	4.10
	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
BANK RATE	1.00	1.00	1.25	1.50	1.50	1.75
3 month LIBID	1.10	1.30	1.40	1.50	1.80	1.90
6 month LIBID	1.30	1.50	1.60	1.70	2.00	2.10
12 month LIBID	1.60	1.80	1.90	2.00	2.30	2.40
5 yr PWLB	2.90	3.00	3.10	3.20	3.30	3.40
10 yr PWLB	3.50	3.70	3.80	3.90	4.00	4.10
25 yr PWLB	4.20	4.30	4.40	4.40	4.50	4.60
50 yr PWLB	4.20	4.30	4.40	4.40	4.50	4.60

South Oxfordshire District Council investments as at 31 March 2015				
Counterparty	Deposit Type	Maturity Date	Principal	Rate
HSBC	Fixed	Feb-17	2,000,000	1.90%
Kingston upon Hull City Council	Fixed	Aug-20	3,500,000	2.70%
Kingston upon Hull City Council	Fixed	Aug-20	1,500,000	2.70%
Blaenau Gwent County Borough Council	Fixed	Apr-16	3,000,000	1.38%
Kingston upon Hull City Council	Fixed	Jan-21	2,000,000	2.50%
West Bromwich Building Society	Fixed	May-15	2,000,000	0.95%
Skipton Building Society	Fixed	May-15	2,000,000	0.91%
West Bromwich Building Society	Fixed	Jun-15	3,000,000	0.90%
National Counties Building Society	Fixed	Apr-15	1,500,000	0.80%
National Counties Building Society	Fixed	Apr-15	2,000,000	0.85%
Newcastle Building Society	Fixed	Apr-15	2,000,000	0.93%
West Bromwich Building Society	Fixed	Jul-15	4,000,000	1.15%
Skipton Building Society	Fixed	Jul-15	1,500,000	0.93%
Newcastle Building Society	Fixed	May-15	2,000,000	0.95%
National Counties Building Society	Fixed	May-15	2,000,000	0.90%
West Bromwich Building Society	Fixed	Jul-15	1,000,000	1.10%
Manchester Building Society	Fixed	Apr-15	1,000,000	0.90%
National Counties Building Society	Fixed	Jun-15	2,000,000	0.84%
Progressive Building Society	Fixed	Jun-15	1,000,000	0.83%
Progressive Building Society	Fixed	Jun-15	1,000,000	0.83%
Skipton Building Society	Fixed	Sep-15	2,000,000	1.00%
Furness Building Society	Fixed	Jun-15	2,000,000	0.85%
Close Brothers	Fixed	Sep-15	2,000,000	1.30%
Close Brothers	Fixed	Oct-15	2,000,000	1.30%
Progressive Building Society	Fixed	Aug-15	1,000,000	0.88%
Manchester Building Society	Fixed	Jul-15	2,000,000	0.93%
Manchester Building Society	Fixed	Jul-15	2,000,000	0.88%
Newcastle Building Society	Fixed	Sep-15	2,000,000	1.00%
National Counties Building Society	Fixed	Sep-15	1,000,000	0.95%
Close Brothers	Fixed	Nov-15	3,000,000	1.30%
Progressive Building Society	Fixed	Oct-15	2,000,000	0.90%
Close Brothers	Fixed	Dec-15	3,000,000	1.30%
Royal Bank of Scotland	Fixed	Jan-18	2,000,000	1.25%
Royal Bank of Scotland	Fixed	Feb-19	2,000,000	1.20%
Principality Building Society	Fixed	Mar-16	2,000,000	0.92%
Skipton Building Society	Fixed	Mar-16	3,000,000	1.00%
Santander	Call		6,390,000	0.90%
Royal Bank of Scotland	Call		2,329	0.85%
Royal Bank of Scotland	Call		95,101	0.80%
Goldman Sachs	MMF		390,000	Variable
Deutsche Bank	MMF		265,000	Variable
Blackrock	MMF		4,690,000	Variable
L&G Equities	Unit trust		13,359,340	Variable
Royal Bank of Scotland	Corporate bond		1,526,475	9.63%
Santander	Corporate bond		311,985	11.50%
CCLA - property fund	Property fund		5,000,000	4.65%
GRAND TOTAL			105,030,230	

Vale of White Horse District Council investments as at 31 March 2015

Counterparty	Deposit Type	Maturity Date	Principal	Rate
Hull City Council	Fixed	January 2021	2,000,000	2.50%
Hull City Council	Fixed	August 2020	2,000,000	2.70%
Close Brothers Ltd	Fixed	October 2015	1,500,000	1.35%
West Bromwich Building Society	Fixed	January 2015	3,000,000	1.05%
Lloyds TSB Bank Plc	Fixed	March 2015	3,000,000	1.00%
Lloyds TSB Bank Plc	Fixed	March 2016	6,000,000	1.00%
National Counties Building Society	Fixed	January 2016	2,000,000	1.00%
National Counties Building Society	Fixed	November 2015	1,000,000	0.98%
Progressive Building Society	Fixed	July 2015	1,000,000	0.85%
Santander	Call		4,930,000	0.90%
Lloyds TSB Bank Plc	Call		500,000	0.40%
Goldman Sachs	MMF		750,000	Variable
GRAND TOTAL			27,680,000	

Prudential indicators as at 31 March 2015				
	Vale		South	
	2014/15	31.03.2015	2014/15	31.03.2015
	Original estimate	Position	Original estimate	Position
	£m	£m	£m	£m
Authorised limit for external debt				
Borrowing	30	0	5	0
Other long term liabilities	5	0	5	0
	35	0	10	0
Operational boundary for external debt				
Borrowing	25	0	2	0
Other long term liabilities	0	0	3	0
	25	0	5	0
Investments				
Interest rate exposures				
Limits on fixed interest rates	60	18	100	100
Limits on variable interest rates	30	6	30	30
Maximum principal sums invested > 364 days				
Upper limit for principal sums invested > 364 days	30	4	70	57
Limit to be placed on investments to maturity				
1 - 2 years	0	0	70	5
2 - 5 years	0	0	50	10
5 years +	0	0	50	2
Investment portfolio spread				
Supranational bonds	10	0	15	0
Gilts	n/a	0	15	0
Equities*	3	0	10	13
Corporate bonds	5	0	10	2
Money market funds	20	1	20	5
Pooled bond fund	0	0	5	0
Property - direct investments	n/a	0	30	16
Property related pooled funds	3	2	20	5
Cash and certificates of deposit			85%	76%
Debt management account deposit facility	100%		100%	0%

*Limit at time of purchase - Equities include accumulated dividends

Annex D

GLOSSARY OF TERMS

Basis point (BP)	1/100th of 1%, i.e. 0.01%
Base rate	Minimum lending rate of a bank or financial institution in the UK.
Benchmark	A measure against which the investment policy or performance of a fund manager can be compared.
Bill of Exchange	A non-interest-bearing written order used primarily in international trade that binds one party to pay a fixed sum of money to another party at a predetermined future date.
Callable Deposit	A deposit placed with a bank or building society at a set rate for a set amount of time. However, the borrower has the right to repay the funds on pre agreed dates, before maturity. This decision is based on how market rates have moved since the deal was agreed. If rates have fallen the likelihood of the deposit being repaid rises, as cheaper money can be found by the borrower.
[Cash] Fund Management	Fund management is the management of an investment portfolio of cash on behalf of a private client or an institution, the receipts and distribution of dividends and interest, and all other administrative work in connection with the portfolio.
Certificate of Deposit (CD)	Evidence of a deposit with a specified bank or building society repayable on a fixed date. They are negotiable instruments and have a secondary market; therefore the holder of a CD is able to sell it to a third party before the maturity of the CD.
Commercial Paper	Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations and other borrowers. Such instruments are unsecured and usually discounted, although some may be interest bearing.
Corporate Bond	Strictly speaking, corporate bonds are those issued by companies. However, the term is used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.
Counterparty	Another (or the other) party to an agreement or other market contract (e.g. lender/borrower/writer of a swap/etc.)

Credit Default Swap (CDS)	A swap designed to transfer the credit exposure of fixed income products between parties. The buyer of a credit swap receives credit protection, whereas the seller of the swap guarantees the credit worthiness of the product. By doing this, the risk of default is transferred from the holder of the fixed income security to the seller of the swap.
Capital Financing Requirement (CFR)	The amount the council has to borrow to fund its capital commitments.
CIPFA	Chartered Institute of Public Finance and Accountancy.
CLG	[Department for] Communities and Local Government.
Derivative	A contract whose value is based on the performance of an underlying financial asset, index or other investment, e.g. an option is a derivative because its value changes in relation to the performance of an underlying stock.
Debt Management Account Deposit Facility (DMADF)	Deposit Account offered by the Debt Management Office, guaranteed by the UK government
European Central Bank (ECB)	European Central Bank – sets the central interest rates in the EMU area. The ECB determines the targets itself for its interest rate setting policy; this is the keep inflation within a band of 0 to 2%. It does not accept that monetary policy is to be used to manage fluctuations in unemployment and growth caused by the business cycle.
European and Monetary Union (EMU)	The Economic and Monetary Union (EMU) is an umbrella term for the group of policies aimed at converging the economies of all member states of the European Union.
Equity	A share in a company with limited liability. It generally enables the holder to share in the profitability of the company through dividend payments and capital appreciation. Equity values can decrease as well as increase.
Forward Deal	The act of agreeing today to deposit funds with an institution for an agreed time limit, on an agreed future date, at an agreed rate.
Forward Deposits	Same as forward dealing (above).
Fiscal Policy	The government policy on taxation and welfare payments.
GDP	Gross Domestic Product.
[UK] Gilt	Registered UK government securities giving the investor an absolute commitment from the government to honour the debt that those securities represent.

LIBID	London inter-bank bid rate
LIBOR	London inter-bank offered rate.
Money Market Fund	A well rated, highly diversified pooled investment vehicle whose assets mainly comprise of short-term instruments. It is very similar to a unit trust, however in a MMF.
Monetary Policy Committee (MPC)	Government body that sets the bank rate (commonly referred to as being base rate). Their primary target is to keep inflation within plus or minus 1% of a central target of 2.5% in two years time from the date of the monthly meeting of the committee. Their secondary target is to support the government in maintaining high and stable levels of growth and employment.
Other Bond Funds	Pooled funds investing in a wide range of bonds.
PWLB	Public Works Loan Board.
QE	Quantitative Easing.
Retail Price Index	Measurement of the monthly change in the average level of prices at the retail level weighted by the average expenditure pattern of the average person.
Sovereign Issues (excl UK Gilts)	Bonds issued or guaranteed by nation states, but excluding UK government bonds.
Supranational Bonds	Bonds issued by supranational bodies, e.g. European Investment Bank. The bonds – also known as Multilateral Development Bank bonds – are generally AAA rated and behave similarly to gilts, but pay a higher yield (“spread”) given their relative illiquidity when compared with gilts.
Treasury Bill	Treasury bills are short-term debt instruments issued by the UK or other governments. They provide a return to the investor by virtue of being issued at a discount to their final redemption value.