

# Public Document Pack



## AYLESBURY VALE DISTRICT COUNCIL Democratic Services

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25 August 2016

### CABINET

A meeting of the **Cabinet** will be held at **6.30 pm** on **Tuesday 6 September 2016** in **Great Brickhill Cricket Club, Horsepond, off Rotten Row, Great Brickhill, Bucks MK17 9BA**, when your attendance is requested.

**NOTE:** There will be an informal session starting at 6.15 pm to give Members the opportunity to comment on issues on the Agenda. The press and public may attend as observers.

**Membership:** Councillors: N Blake (Leader), S Bowles (Deputy Leader), J Blake, A Macpherson, H Mordue, C Paternoster and Sir Beville Stanier Bt

Contact Officer for meeting arrangements: Bill Ashton; [bashton@aylesburyvaledc.gov.uk](mailto:bashton@aylesburyvaledc.gov.uk);

### AGENDA

#### 1. APOLOGIES

#### 2. MINUTES (Pages 5 - 18)

To approve as a correct record the Minutes of the meeting held on 12 July, 2016, attached as an appendix.

#### 3. DECLARATIONS OF INTEREST

Members to declare any interests.

#### 4. SILVERSTONE HERITAGE EXPERIENCE (Pages 19 - 24)

**Councillor Bowles**

**Deputy Leader and Cabinet Member for Economic Development Delivery**

To consider the attached information.

Contact Officer: Andrew Small (01296) 585507

#### 5. GAWCOTT SOLAR FIELD COMMUNITY INTEREST COMPANY (Pages 25 - 28)

**Councillor Mordue**

**Cabinet Member for Finance, Resources and Compliance**

To consider the attached information.

Contact Officer: Andrew Small (01296) 585507

**6. AYLESBURY VALE COMMUNITY CHEST (Pages 29 - 50)**  
**Councillor Mrs Macpherson**  
**Cabinet Member for Leisure, Communities and Civic Amenities**

To consider the attached information.

Contact Officer: Stephanie Moffat (01296) 585295

**7. ACCEPTANCE OF THE GOVERNMENT'S FOUR YEAR GRANT SETTLEMENT OFFER**  
**(Pages 51 - 86)**  
**Councillor Mordue**  
**Cabinet Member for Finance, Resources and Compliance**

To consider the attached information.

Contact Officer: Andrew Small (01296) 585507

**8. AYLESBURY VALE BROADBAND BUSINESS PLAN (Pages 87 - 88)**  
**Councillor Mrs J Blake**  
**Cabinet Member for Business Transformation**

To consider the attached information.

Contact Officer: Evelyn Kaluza (01296) 585549

**9. WATERSIDE NORTH - FUTURE PHASES OF DEVELOPMENT (Pages 89 - 102)**  
**Councillor N Blake**  
**Leader of the Council and Cabinet Member for Major Projects**

To consider the attached information.

Contact Officer: Teresa Lane (01296) 585006

**10. EXCLUSION OF THE PUBLIC**

The following matters are for consideration by Members "In Committee". It will therefore be necessary to

RESOLVE –

That under Section 100(A)(4) of the Local Government Act, 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in the Paragraph indicated in Part 1 of Schedule 12A of the Act:-

- Item 11 – Silverstone Heritage Experience (Paragraph 3)
- Item 12 – Aylesbury Vale Broadband Business Plan (Paragraph 3)
- Item 13 – Aylesbury Vale Estates Business Plan (Paragraph 3)

The public interest in maintaining the exemptions outweighs the public interest in disclosing the information because the reports contain information relating to the financial or business affairs of organisations (including the Authority holding that information) and disclosure of commercially sensitive information would prejudice negotiations for contracts and land disposals/transactions.

**11. SILVERSTONE HERITAGE EXPERIENCE (Pages 103 - 108)**

**Councillor Bowles**  
**Deputy Leader and Cabinet Member for Economic Development Delivery**

To consider the confidential information attached.

Contact Officer: Andrew Small (01296) 585507

**12. AYLESBURY VALE BROADBAND BUSINESS PLAN (Pages 109 - 150)**  
**Councillor Mrs J Blake**  
**Cabinet Member for Business Transformation**

To consider the confidential information attached.

Contact Officer: Evelyn Kaluza (01296) 585549

**13. AYLESBURY VALE ESTATES (AVE) BUSINESS PLAN (Pages 151 - 242)**  
**Councillor Bowles**  
**Deputy Leader and Cabinet Member for Economic Development Delivery**

To consider the attached information.

Contact Officer: Teresa Lane (01296) 585006

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## Cabinet

12 JULY 2016

**PRESENT:** Councillor N Blake (Leader); Councillors J Blake, A Macpherson, H Mordue, C Paternoster and Sir Beville Stanier Bt. Councillors C Adams and M Rand attended also.

**APOLOGY:** Councillor S Bowles

### 1. MINUTES

RESOLVED –

That the Minutes of 15 June, 2016, be approved as a correct record.

### 2. BUCKS JOINT WASTE COMMITTEE (DISSOLUTION)

The Bucks Joint Waste Committee (JWC) had been established in 2004 to deliver the aims and objectives of the County-wide Joint Municipal Waste Management Strategy. At its last meeting the JWC considered how its work could best be progressed, within the context of the background to its establishment and its achievements since its formation.

New collection services and procurement contracts; a forecast underspend of just over £125,000 at the end of 2015/16 and the Waste Partnership Officer vacancy had provided the opportunity to review the current partnership arrangements.

The Committee had considered a number of options and it was decided that the JWC should be streamlined to improve efficiency and to replace the formal decision making structure that was no longer required. A distinction had been drawn between the formal JWC decision structure and the Buckinghamshire Waste Partnership that referred to activities carried out jointly by the Districts and the County Council and the joint branding. Members of the Committee had recognised the benefits of working together and were keen to continue the sharing of knowledge between authorities within the Partnership. They had also been particularly keen to continue the successful fly tipping campaign, DCLG funded activities and litter reduction. It had been agreed that activities to reduce littering were best carried out by the Districts due to the close links with the waste collection and street cleansing arrangements delivered by the District Councils. It had been noted that joint officer groups would be needed to enable specific projects to continue to be delivered jointly by the Partnership.

Section 17 of the JWC Constitution enabled the JWC to be dissolved provided that a minimum of 12 months notice was given, to expire on 31 March in any year. This notice period could be waived provided that there was agreement from each participating Council's Cabinet.

The JWC had made the following recommendations for consideration by the Cabinets of each constituent authority:-

- That the Joint Waste Committee for Buckinghamshire be dissolved without a minimum 12 months notice period, subject to agreement from the Cabinet of each participating Council.
- That the Joint Waste Partnership be retained as an informal entity to carry out specific joint activities on behalf of Buckinghamshire County Council and the

District Councils, including the fly tipping campaign and activities relating to the funding received from the DCLG.

- That activities to reduce littering be carried out by the District Councils.

The County and District waste officers were developing a Memorandum of Understanding to provide adequate governance arrangements that would regulate the work of the informal Partnership and which would replace the formal constitution of the JWC. The Memorandum of Understanding would address the rationale and scope of the informal waste partnership, goals and objectives, governance and delivery of initiatives, including spend of the DCLG funding.

Activities based around the Joint Waste Strategy would be ongoing, with the initial meeting of the informal Waste Partnership expected to be scheduled for September, 2016. An annual report would be submitted to Members to keep them informed of progress against the objectives of the Joint Waste Strategy. The actions under the Joint Waste Strategy would continue to be delivered under the operational powers of the relevant Sector Lead/Director/Manager in each constituent authority.

The terms of the Memorandum of Understanding for the informal Joint Waste Partnership would be finalised in readiness for the Partnership to continue to deliver the aims of the Joint Waste Strategy, and delivery of the Partnership programme related to the DCLG funding would continue to require officer and partner input.

The JWC held a budget surplus of around £125,000 (subject to existing commitments) and activities would be funded from this surplus until the remaining budget had been utilised, which was expected to be 2018/19. This funding would primarily be used to deliver the fly tipping enforcement work on behalf of the Partnership. Beyond 2018/19, further budgetary provision would need to be considered by each partner and agreed at an operational budgetary level by the appropriate delegated officer.

RESOLVED –

- (1) That the Joint Waste Committee for Buckinghamshire be dissolved when all the constituent authorities have given their formal agreement to do so, and that the 12 months notice required by the Committee's Constitution be waived.
- (2) That the Joint Waste Partnership be retained as an informal entity to carry out activities to support the delivery of the Joint Waste Strategy 2014 – 2020.
- (3) That a Memorandum of Understanding, as outlined in the Cabinet report, be drawn up to regulate the activities of the Joint Waste Partnership, with authority being given to the Interim Sector Lead, Customer Fulfilment, after consultation with the Council's legal advisors, to agree precise terms.
- (4) That the remaining funds in the approved budget of the Joint Waste Committee, once committed expenditure had been met, be used to fund a continued fly-tipping campaign across Buckinghamshire.
- (5) That the grant awarded by the DCLG for the "Fighting Food Waste" project be used to support the activities described in the bid for funding.
- (6) That the partner councils give consideration to making budgetary provision for the ongoing work of the Partnership once the remaining budget had been utilised, expected to be for the financial year 2018/19 and thereafter.

### 3. GRANTS REVIEW

The Council had a long history of supporting the Voluntary Community Sector (VCS) and maintained positive working relationships with organisations providing services to the Vale's communities. The Council currently funded 16 organisations who held service level agreements with the Council. These organisations had been funded by the Council for many years, and the grants programme was not currently open to new groups to apply.

The grants programme had last been reviewed in 2009 and in the light of the ongoing pressure on the Council's budget, the changing pressures on the voluntary sector and the recent introduction of the Vale Lottery, it was considered timely to re-evaluate the programme to ensure that it remained fit for purpose, and that funding was allocated in line with the Council's priorities and strategic needs, and against a backdrop of rising costs and reducing funding in the current economic climate.

There was a growing demand for advice services, such as those provided by Citizens' Advice Bureaux, and for services which provided support for an aging population, services which supported people with disabilities, and services which supported the physical and mental wellbeing of young people. There was also a need for a mix of funding including short term project funds and longer term support costs.

The Council's Informal Grants Panel had considered the background to the current grants framework, the current arrangements and the issues facing the Council and the voluntary and community sector. It had identified the need for a flexible grants programme and had made a number of recommendations to update the current grants programme.

As mentioned earlier, the Council's current grant funding programme had last been reviewed in 2009. The Informal Grants Panel which considered grant applications and made recommendations to the Cabinet Member for Leisure, Communities and Civic Amenities had examined the current issues and had looked at a possible new approach to discretionary grant funding. The primary principle had been to ensure an open and transparent process, and that funding was allocated in line with the Council's priorities and strategic needs and the most critical needs of the voluntary sector.

The Council had signed the original Buckinghamshire Compact in 2004 as a commitment to co-operative working with the VCS. This was an agreement developed jointly between local public sector and voluntary and community sector organisations about how they would work together, and which set out codes of practice, including principles around funding processes.

The current programme provided grants through funding known as Service Level Agreements (SLAs) which were designed to support the core costs of the organisations it funded (e.g. management, administration, office costs and rent). The Council's support also provided important leverage enabling the organisations to attract additional funding for project work or service provision. However in the light of the changes in demand and the proposed new priorities, the Informal Panel had felt that funding should be more flexible and support project costs as well as core costs.

The SLAs were long standing arrangements and, although there was an application process every three years, and ongoing monitoring, the organisations currently funded by the Council had benefited from consistent support over many years and had come to rely on the Council's funding. The programme was not currently open to new organisations to apply for funding.

AVDC was an outcomes based funder and this meant that it was particularly interested to know how each organisation had delivered its services to address need and the

specific differences the service and the Council's funding was making to individuals and communities within the Vale. A service activity and performance schedule formed part of the SLA and the Council sought 6 monthly monitoring reports against this framework, agreed with each of the individual organisations. The monitoring arrangements for the SLAs were rigorous, and opportunities for improvements and efficiencies were regularly discussed and explored and as a result there had been changes to funding agreements over time.

Reviews of the grant funding arrangements and grants budget had been undertaken in 2001/02 and 2008/09. The outcome of both reviews had been to re-focus the Council's funding priorities, which had subsequently led to a reduction in the grants budget. In addition, as a result of the service prioritisation exercise in 2009/10, the Council's project funding budget had been reduced over the two year period 2010/11 – 2011/12, and removed completely in 2012/13. This in turn had removed the flexibility of the grants programme to support project based costs, either for SLA holders or other VCS organisations in the Vale. The grants budget for the SLA programme had been £619,672 in 2009/10 and had reduced over the past 6 years to just under £400,000 in this financial year.

In December 2012, because of the uncertainty at that time about possible reductions in the grants budget, it was agreed that only two years' funding could be confirmed for 2013 – 2015, with the option for AVDC to extend the agreement for a further year. In December 2014, based on the budget available, and satisfactory monitoring returns, 15 organisations had subsequently had their SLA extended at the previous level of funding for 2015/16. Two grant awarding bodies, namely, the Aylesbury Vale Arts Council and the Aylesbury Vale Sports and Activities Network held sufficient levels of reserves to meet local demand for the financial year and had had their funding reduced.

Since 2013, the Grants Officer had worked closely with all SLA holders to encourage them to identify and pursue alternative fund raising options. To this end, a sustainability workshop had been held in February, 2014, and monitoring meetings, discussions had been held about the grants review and possible funding reductions. Most organisations were therefore prepared for this eventuality, although some had come to rely on the Council's funding and might not be viable without it.

In preparation for the review, the Grants Officer had been liaising with the local infrastructure organisations such as Community Impact Bucks and Heart of Bucks (formerly Buckinghamshire Community Foundation) about the current and future issues facing the VCS in the District.

For a number of years the following broad list of themes and priorities had formed the basis of the criteria against which all grants to the VCS were assessed. These themes were based on the Sustainable Community Strategy for Aylesbury Vale 2009 – 2016 and had been endorsed during a review of the grants framework in 2009:-

- Engaged communities where everyone feels able to participate and belong.
- People are supported and enabled to improve their life choices, skills and access to services.
- A strong and enabled local voluntary and community sector.
- Strong communities where people feel safe.
- Healthier people and more active communities.



In November, 2015, grant funding had been agreed for 26 VCS organisations and luncheon clubs, providing services across the Vale. The Cabinet report contained a schedule of the organisations concerned. Given the intention to review the grants programme, one year SLAs had been agreed with each of the organisations.

In total, £393,730 of funding support had been agreed. This funding would help deliver more than £3 million worth of services, which made a significant difference to individuals and communities. Almost 16,000 people benefitted from the services provided by the SLA holders (this figure did not include the figures from organisations which measured interactions (total visits), instead of the number of individuals, e.g. Queens Park Centre and community centres). Current data (September 2015) showed that SLA holders currently funded, employed 215 members of staff and supported approximately 750 volunteers, (181 volunteers sat on the various management committees and boards of trustees and there was some overlap). Assuming that each volunteer gave an average of only one hour per week, the collective value of volunteers to the SLAs was at least £519,000.

The grants programme currently supported three community organisations to manage community centres owned by the Council – the Aylesbury Multi-Cultural Centre, Quarrendon and Meadowcroft and Haydon Hill. The principle of community managed centres had been supported by the Council and the grants helped the organisations to meet the shortfall between income and expenditure on running costs. The arrangement was therefore somewhat different from other grants, which were given to community groups delivering community services. The review, which was the subject of this report, presented an opportunity to address where future funding for these particular services was managed.

The Council currently contributed just under £22,000 from its grants budget to a countywide contract which enabled free infrastructure support services to be offered to all VCS organisations in Bucks, known as The Bucks Infrastructure Contract. These services resulted in a stronger and more resilient VCS. This was a tendered contract arrangement between the District Councils in Bucks, the County Council and the provider, and was a very different arrangement from the SLAs funded from the grants programme.

In the current decision making process for the grants framework, the relevant Cabinet Member made a decision based upon the recommendations of the Informal Grants panel. The membership of the Panel was politically balanced. The recommendations of the Panel were not binding upon the Cabinet Member and could be changed, although the necessity for this had been extremely rare. Once the Cabinet Member's decision had been confirmed, it was subject to the scrutiny process.

A scoring system and application form were currently used which would need to be revised to reflect the new criteria, i.e. the requirement for organisations to provide information about which priority their service met and how; strong evidence of need; who the beneficiaries would be; the intended outcomes of the services provided and the robustness of the organisation, both financially and in its governance.

With the ongoing pressures on its budget, the Council had recently launched the Vale Lottery, which provided voluntary and community sector organisations with another opportunity to raise funds. At the time of writing this report, £21,902 had been raised for good causes, with projected annualised funds of £60,290. 12 of the 16 current SLA holders had signed up to the Vale Lottery and had raised just over £4000 between them. In addition, the Vale Lottery Community Fund had raised £15,678 and was designed to subsidise the available grants budget. There was currently no separate method for AVDC to distribute the money raised by the Lottery.

The issues currently facing the VCS had been outlined in the publication "Buckinghamshire Voluntary and Charity Sector" Report (October, 2015), commissioned by Community Impact Bucks. In addition, the Buckinghamshire Health and Wellbeing Strategy, Buckinghamshire's Joint Strategic needs assessment and the Prevention Matters programme all helped to outline the issues facing the community and service providers and had been used by the Grants Panel to inform their recommendations.

Within Buckinghamshire an estimated 31,600 adults had a moderate or serious physical disability and this figure was projected to rise. The numbers of people aged 85+ was projected to increase by 84% between 2011 and 2025. The Buckinghamshire Voluntary and Charity Sector Report highlighted the ageing population in Bucks and the growing demand for services for older people, particularly those that supported people with dementia and which helped alleviate loneliness and isolation. The report also raised awareness of the rise in mental health issues facing vulnerable and at risk young people, and that additional resources would be needed to manage this demand. These themes were echoed by the Buckinghamshire Health and Wellbeing Board. In the light of all these factors, the Informal Panel's recommendations for the VCS programme were as set out below:-

- (a) That the criteria should move away from the very broad themes based on the Sustainable Community Strategy, and should focus on priority areas which target the services in greatest demand for vulnerable and disadvantaged residents. Applications should therefore be invited from organisations which could demonstrate that their services prevented or supported one of the following priorities across the District:-
  - Services for older people (particularly those that supported dementia sufferers and helped prevent loneliness and isolation).
  - Services supporting the emotional and mental development and well being of young people (particularly those aged 13 – 19 and up to 25 with disabilities who were vulnerable or at risk).
  - Services for people with disabilities (learning, sensory and physical).
- (b) That priority should be given to services for which there had been an increasing demand; services that would provide the most impact for the Council's investment; and services whose outcomes contributed the most to the Council's corporate priorities, assessed by the Panel as part of the application and scoring process.
- (c) That the allocation of funding should be more flexible and should support project costs, as well as the core costs of a few organisations providing key advice services that strongly aligned with the Council's strategic needs. Examples included Citizens' Advice Bureaux who provided free and independent advice on a range of issues, including debt and welfare benefits, housing, employment, immigration, and nationality and Aylesbury Women's Aid, who provided advice and support services to women living with domestic violence.
- (d) That no prescribed limits be set for the amount of funding to be allocated for core funding under a Funding Agreement. This should remain flexible within the grants budget available, and the funding recommendation should be dependent upon the strength of the applications received and the amount of funding requested.
- (e) That multi-year funding (3 – 5 years) should be awarded under a Funding Agreement to support core costs. This would give VCS organisations some

financial security and stability to focus on service provision and provide greater leverage to attract additional funding for project work or enhanced service provision.

- (f) That a percentage reduction be built in across the duration of any multi-year agreement, and there would be no expectation to repeat fund.
- (g) That a project grant funding stream should be introduced and awarded on an annual basis and that these should be one off grants of up to 50% of project costs and a maximum of £20,000. Organisations would be able to submit one application at a time and the Council would not repeat fund the same project.
- (h) That AVDC grant funding should not be used to alleviate funding pressures in other statutory areas.
- (i) That the eligibility criteria should include a limit on the amount of reserves held by an applicant, in line with the Charity Commission's advice. It was suggested that an organisation holding more than a year's unrestricted reserves would not be eligible to apply (unless the trustees were able to explain and justify the reserves held).
- (j) That applications should be supported by a business plan and financial forecast for the duration of any core funding application or a comprehensive project plan for project grant applications.
- (k) That the budget for the three community associations currently supported by the grants programme be "lifted out" of the grants programme and transferred to the commercial AVDC team, to be administered by the Community Leisure manager, responsible for the AVDC managed centres. Also that the future funding decision be delegated to a senior manager after consultation with the relevant Cabinet Member.
- (l) That the budget for the Infrastructure Contract be "lifted out" of the grants programme and the decision delegated to a senior manager after consultation with the relevant Cabinet Member.
- (m) That the current decision making process should remain in place whereby the relevant Cabinet member made the decision about funding based upon the recommendations of the Informal Grants Panel.
- (n) That the grants officer should update the application form, scoring criteria and other documentation, after consultation with the relevant Cabinet Member.
- (o) That the grants officer should inform the VCS organisations currently supported of the likely changes to the grant funding model and to confirm the changes as soon as practicable after this meeting. This would meet the requirements of the Buckinghamshire Compact to give at least 12 weeks notice of changes to the grants programme and level of funding. Also that the revised grants programme be publicised on the Council's web site, through the appropriate media and by contacting organisations on the Council's VCS database.
- (p) That monitoring should continue on a six monthly basis for those organisations in receipt of core funding and that the grants officer should continue to carry out an annual review meeting with each of the organisations funded. For one year grants, monitoring should be completed at the end of the funding agreement.

There would be no additional resource implications as a result of the above recommendations. It was proposed that the total level of grant funding for 2017/18 should be met from within the existing grants budget and the money raised through the Vale Lottery. Subsequent reductions were anticipated.

The Finance and Services Scrutiny Committee had considered the Cabinet report on the previous evening and Cabinet heard from the Chairman of that Committee that it's Members were supportive of the proposed revisions to the Council's voluntary and community sector grants programme. The Scrutiny Committee had expressed some concerns about the future sustainability of the 3 Community Centres that would be moved to another budget area and the Cabinet Member for Leisure, Communities and Civic amenities explained that a separate review of Community Centres would be undertaken in due course.

The Scrutiny Committee had also been supportive to the revised programme being opened up to new organisations to apply, and had asked that this be communicated widely by the Council.

After careful consideration of the Cabinet report, it was

RESOLVED –

That approval be given to the revisions to the Council's voluntary and community sector grants programme as outlined above.

#### **4. RESILIENCE STRATEGY**

AVDC had legal duties under the Civil Contingencies Act, 2004 to:-

- Promote business continuity (BC) in the local community of Aylesbury Vale.
- Maintain plans and readiness in the event of a major incident being declared and including in its own BC arrangements adequately trained and competent staff. (The Cabinet report included examples of events requiring a business continuity response).

BC arrangements were used to bridge the gap between the initial service levels and the restoration when a temporary situation was resolved or the disaster recovery plan was implemented. "Resilience meant an integrated approach to emergency planning and business continuity and was one of the organisation's most significant risks. The Council had separate IT disaster recovery plans managed through IT together with plans to make the Council more resilient against cyber attack.

AVDC was working to the standards set by the international standard for business continuity (ISO 22301), specifying the requirements for a management system to protect against, reduce the likelihood of, and ensure the business recovers from disruptive incidents. There were still no plans to acquire external accreditation.

The document attached as an Appendix to the Cabinet report and posted with the agenda on the Council's website, was the first Council-wide resilience strategy. With recent criticisms of AVDC's response to flooding and the need to demonstrate appropriate preparedness following Thames Valley Local Resilience Forum (TVLRF) commissioned reviews, this strategy provided for better resource planning. AVDC was a member of the TVLRF and was a piece of a complex jigsaw that could collectively fail in an emergency if any one or more organisation(s) was not adequately prepared or resourced.

It was reported that AVDC officers had participated in TVLRF training and exercising around “marauding terrorists”, “prevention of violent extremism” and “cyber crime”. The TVLRF identified the risk profile in line with Central Government and facilitated a number of workshops enabling closer working with partners in other category one responders.

The Council was engaging with the community to promote community resilience and examples of such engagement included Buckingham, Ashendon and Waddesdon. Progress had also been made in implementing the actions identified in previous reports to Members:-

- The scope for BC was set at 4 weeks, allowing for full service restoration to be planned.
- Service continuity arrangements had been updated on an annual basis until 2014/15. Compliance was self reported in the annual statement of assurance and needed review following the “lift and shift” process.
- Expenditure had been made available to facilitate training and exercising, and the incorporation of business continuity into the Council’s emergency plan.

The strategy reflected the fact that although resilience was co-ordinated through one officer, much of the work should be carried out elsewhere within the Council. There was an ongoing need to periodically train and exercise staff within the context of the emergency plan. This had been enabled through the use of officers within other category one responders. The Council supported large events such as the British Grand Prix at Silverstone and was part of their major incident plan.

The Emergency Planning and Business Continuity manager would lead the development of an action plan. The majority of the work could be delivered within existing resources but there might be a need for some project funding (approximately £5,000) to be made available to deliver certain elements of the programme. Where project funding was required, this would be sourced through the normal Council mechanisms, with the support of the relevant Sector Lead.

The Finance and Services Scrutiny Committee had considered the Cabinet report on the previous evening and Cabinet heard from the Chairman of that Committee that it’s Members were supportive of the Resilience Strategy 2016-20 and associated work plan being adopted. The Scrutiny Committee had also asked that when the annual report on resilience was made to Cabinet that it also be reported to the Finance and Services Scrutiny Committee.

After careful consideration of the Cabinet report, it was

RESOLVED –

That the Resilience Strategy and associated work plan be endorsed.

## **5. FINANCIAL REGULATIONS**

The Council’s Constitution requires Financial Regulations to be reviewed every 5 years. The review of the current Regulations has been delayed by the introduction of a new financial management system and it was essential that the revised Regulations reflected operational requirements of the new system. The Financial Regulations and Financial Procedures had now been examined with the assistance of external professionals to ensure that they enshrine best practice. Copies of each of the revised documents were

appended to the Cabinet report and were available for inspection on the Council's website as part of the agenda for this meeting.

The revised Regulations reflected also current organisational practices and reinforced the shift to managers being responsible for their own budgets, whilst simultaneously clarifying the role of the Strategic Finance Team. In summary, most of the changes reflected updated custom and practice and external guidance, or reflected the new approaches following the introduction of the new corporate finance system. Members' attention was drawn in particular to the following:-

**Virement Limits:** These were the authorisation limits that certain categories of manager or meeting could authorise in terms of moving funds between cost centres within the Council's accounts. The table set out below showed the differences between the current and proposed levels in the Revised Regulations. The increase in the levels had ben benchmarked against other councils and now leant towards the more commercially focused end of the spectrum, allowing greater flexibility in being able to move funds around cost centres to reflect changing circumstances throughout the year.

<b>Who</b>	<b>AVDC (existing)</b>	<b>AVDC (proposed)</b>
Budget Manager	<£10K	<b>&lt;£10K</b>
Senior Manager	<£50K	<b>&lt;£100K</b>
Cabinet	£100 - £150K	<b>£100 - £250K</b>
Council	>£150K	<b>&gt;£250K</b>

**Performance Management:** Within the Regulations and the Procedures there was a renewed emphasis and reference to the performance management at all stages of the financial system (budget manager up to the corporate level). This reflected the growing importance of these issues on the Council as it moved further into addressing the challenges within the Medium Term Financial Plan.

**Appendix A – paragraph 5.01** – that this paragraph would be updated to state that the Audit Committee (rather than full Council) was responsible for approving the statutory annual statement of accounts.

**Appendix E – paragraph 23** – that the sub-paragraph numbering would be updated, which would have no impact on the reported external arrangements.

The Finance and Services Scrutiny Committee had considered the Cabinet report on the previous evening and Cabinet heard from the Chairman of that Committee that it's Members were supportive of the proposed revisions to the Council's Financial Regulations.

The Scrutiny Committee had also asked that when AVDC owned companies started reporting on their financial performance against an annual business plan agreed with the Council, that this financial performance information be included with the Quarterly Performance Digest information reported to the Finance and Services Scrutiny Committee.

After careful consideration of the Cabinet report, it was

RESOLVED –

- (1) That Council be recommended to adopt the revised Financial Regulations (subject to the 2 minor amendments at Appendix A (paragraph 5.01) that the Audit Committee was responsible for approving the statutory annual statement of accounts and to the revised numbering at Section 23 of Appendix D).
- (2) That Council be recommended to give delegated authority to the Director with responsibility for finance, after consultation with the Cabinet Member for Finance, Resources and Compliance, to make minor changes from time to time to reflect changes in operational arrangements.

## **6. AYLESBURY VALE BROADBAND (AVB) - DIRECTORS**

In April, 2015, the Council had approved the business case for the formation of Aylesbury Vale Broadband (AVB) to roll out super fast broadband to villages within the Vale. The first stage had been a pilot in North Marston and Granborough which had resulted in further funding of £500,000 to continue the expansion to other villages.

The company was structured on the basis that AVDC was the majority shareholder (95%) and (5%) “Ironic Thought” who had been the lead in managing the project. The Shareholder Agreement stated that no dividends were to be paid to any of the shareholders. The only time the shares could be realised was upon sale of the company. There were 4 directors – three from AVDC and one from “Ironic Thought”.

It was reported that for the past twelve months “Ironic Thought had been responsible for the founding, network roll out and day to day running of AVB on a consultancy basis. The role of “Ironic Thought” within AVB had initially been seen as part time as part of the pilot and on this basis a consultancy fee per month had been agreed, which since April had increased to reflect the additional work.

AVB was now expanding its ultra fast fibre network to other villages in the Vale. It had been announced recently that Swanbourne and Oving were the first villages included in AVB’s expansion. Given the increased demands on staff time as a result of this expansion, the strategic importance of “Ironic Thought’s” role to AVB and the risk the company currently faced (due to the transitory nature of consultancy), it was considered to be in AVB’s best interest for the consultancy arrangement to be turned into a paid employment role of the managing director. This move would provide the company with much needed stability as it continued its current growth trajectory.

As the company grew, there would also be the need to employ further staff and therefore having a Managing director as an employee who would provide the leadership and management of those staff as it grew would be essential. The Shareholders Agreement stated that the remuneration terms of directors were to be a reserved matter unless approved under the business plan. It was felt that an annual salary of £60k would be appropriate and that any annual pay rise should be a decision for the AVB Board. AVB had funding in place to ensure any financial obligations, as a consequence of employing a managing director, could be met whilst still allowing the company to implement its expansion plans. A fully revised business plan and set of accounts would be reported to Cabinet in September, 2016 (and to the Finance and Services Scrutiny Committee in October, 2016).

The Finance and Services Scrutiny Committee had considered the Cabinet report on the previous evening and Cabinet heard from the Chairman of that Committee that it’s Members were supportive of the permanent appointment and the proposed remuneration terms for the Managing Director of Aylesbury Vale Broadband.

The Scrutiny Committee had raised some questions about AVB's operation but were comforted that this level of scrutiny was being undertaken by the Economy and Business Development Scrutiny Committee.

RESOLVED –

- (1) That approval be given to the permanent appointment of the Managing Director of Aylesbury Vale Broadband with a salary of £60K per annum.
- (2) That delegated authority be given to the AVB Shareholder representative to determine the terms and conditions of the appointment.
- (3) That any further changes to the salary and terms and conditions be the responsibility of the AVB Board.

## **7. NOVAE CONSULTING UPDATE**

In April, 2015, the Council had agreed to the establishment of a trading company (subsequently registered as Novae Consulting Ltd) to deliver consultancy services to businesses on a commercial basis (in accordance with the business case submitted and approved).

The company had been registered on 31 July, 2015 and the initial business case had been based on selling consultancy services relating to energy and sustainability. In particular, the focus was on providing audits to meet the new ESOS legislation (energy savings opportunities assessments), which applied to companies employing over 250 staff. The legislation required a mandatory audit of energy and transport to have been carried out by an ESOS assessor and submitted to the Environment Agency by 5 December, 2015. However experience had shown that not all companies had taken on this requirement by the deadline.

AVDC had experts in this field and the basis of the company was to charge commercial rates for the work to businesses and then recharge the AVDC staff time back to AVDC, thereby providing an income stream for the Council. An initial loan of £10k had been approved but had not been used due to the low take-up of ESOS assessments, and it was anticipated that costs would be met from revenue received.

In December, 2015, the Council set up another trading company – Vale Commerce Ltd – which had a brand called “Incgen”, whose purpose was to provide services to businesses. The remit of Vale Commerce was much broader than Novae and would be in a position to source services, which included consultancy, from both within AVDC and also externally through the “Incgen brand. The attraction of this to businesses had already been acknowledged as a result of the successful launch of “Incgen” on 15 June, 2015, where over 50 local businesses attended and provided feedback on what services they would be interested in from “Incgen”.

An internal review had been undertaken to consider whether it was beneficial to keep Novae Consulting Ltd operating on the same basis or whether there were advantages in transferring the consultancy work to “Incgen”. The review had concluded that the work should be transferred to “Incgen”. This route would provide a much higher opportunity to address the needs of businesses and generate a higher return for the company (Vale Commerce).

There would be further operational overhead savings including:-

- Officer and director time at Board meetings.



- Annual insurance costs (£2,700)
- Annual fees for accountancy services (£1,560)

As Novae Consulting had not been trading for a full year and had not yet become an established brand, the transition to “Incgen” would not create any issues. Existing clients and prospective clients Novae were talking to would be advised of the changes and at the same time be invited to become members of the “Incgen Entrepreneur Club”. The review had also recommended keeping Novae Consulting Ltd as a dormant company for one year before reviewing whether to close down the company completely. This would provide the Council with an opportunity, if it should arise, to re-purpose the company where Vale Commerce was not a suitable vehicle.

The Finance and Services Scrutiny Committee had considered the Cabinet report on the previous evening and Cabinet heard from the Chairman of that Committee that it's Members were supportive of the proposed way forward for Novae Consulting Limited.

RESOLVED –

- (1) That at the end of the first trading year for Novae (31 July, 2016), the company be made dormant for one year and all future consultancy work offered to businesses using AVDC staff be routed through Vale Commerce Ltd under the “Incgen” brand.
- (2) That a further review be undertaken of the requirement to keep the Novae Consulting Company registered at Companies House, before the end of the second accounting year.

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Cabinet  
6 September 2016

## SILVERSTONE HERITAGE CENTRE - POTENTIAL LOAN FACILITY

Councillor Bowles

Deputy Leader and Cabinet Member for Economic Development Delivery

### 1 Purpose

- 1.1 As part of a package of loan support provided by the 4 county and district authorities which cover the Silverstone circuit, this report seeks authority for £2 million loan facility to be provided to the Silverstone Heritage Experience.
- 1.2 The combined facility of £8 million made up from the 4 authorities is required to secure the provisional Heritage Lottery Funding of £9.23 million and will only be required in full or in part if the requisite private sector funding cannot be attracted.
- 1.3 It is anticipated that the project will attract over 400,000 visitors to the area each year bolstering tourism and economic viability of the area.

### 2 For Decision / Recommendation

- 2.1 Cabinet are requested to;
- 2.2 Consider the application for a loan facility of up to £2 million, as part of a wider facility offered by the four administrative councils covering the Silverstone Circuit of up to £8 million in order to secure National Lottery Heritage funding for the Silverstone Heritage Experience, and, if supported,.
- 2.3 That Council be recommended to authorise the Director with responsibility for finance, after consultation with the Cabinet Member for Finance, Resources and Compliance to review and make an assessment of the due diligence being undertaken by South Northamptonshire District Council.
- 2.4 That, subject to the above assessment proving satisfactory and subject to suitable terms and conditions being agreed by the supporting Councils and the necessary commitment to the scheme being given by each of them, Council be recommended to:-
  - Approve the inclusion of £2 million within the Capital Programme as a provision to make a loan facility available to Silverstone Heritage Limited; and
  - Earmark £2 million of unallocated New Homes Bonus for the above purpose.

### 3 Background

- 3.1 The Silverstone Heritage Experience will open in October 2018 on the 70<sup>th</sup> anniversary of the first Grand Prix being held at Silverstone. The vision is to bring the extensive heritage of Silverstone and British motor racing to life through the creation of a dynamic, interactive and educational visitor experience including:
  - A permanent exhibition, at the entrance to the Circuit that will take visitors on an exciting two hour journey through motor racing at Silverstone set against the wider context of the sport and, in particular, the part that the Circuit, the British Racing Drivers' Club (BRDC), who own the Circuit and the region's motor sport industry have played in its development worldwide.

- A Collections and Research Centre, offering museum and archive-accredited storage for the unique BRDC archive and other important motor sport collections.
  - An extensive education programme focused on STEM learning which aims to address the region's shortage of engineers by inspiring the engineers of the future through its interactive teaching sessions, engineering teaching bursaries and awards programmes. This will help to ensure the region continues to be a focus of high performance engineering with a readily available qualified workforce.
- 3.2 The Silverstone Heritage Experience will serve as a catalyst, stimulating further development at Silverstone for example, a new hotel and Family Entertainment Centre. Its marketing budget will also ensure that the attraction is promoted to a very large and diverse audience helping to strengthen Silverstone's and the region's standing nationally and internationally
- 3.3 Robust feasibility studies and a five year business plan have been drawn up (with the assistance of sector experts) which have shown that the Silverstone Heritage Experience will deliver anticipated visitor numbers of 436,500 in its first full year of operation (2019). Once open it will be self-funding, generating a healthy annual surplus so can easily service a loan of £8million paid back over a ten year period. Nearly £11.5m Gross Visit Impact to the local and regional economy is projected for 2019 with an additional 87,000 bed nights generated in the region. The total number of jobs created by the Project is 78.
- 3.4 By virtue of the additional visitors the Project will attract to Silverstone it will help to secure the future of the Silverstone Circuit and its ability to continue to host the British Grand Prix and other national and international events which are crucially important the region's visitor economy (and underpin the high performance engineering sector too). Silverstone remains the only Formula One venue in the world to operate without government or third party subsidies.
- 3.5 Silverstone Heritage Limited (SHL), Registered Charity Number 1166279, is the legal entity to take the Silverstone Heritage Experience forward; its sole member is the BRDC. The project is a top priority of the BRDC and in order to provide the project with as much support as it can, the BRDC has gifted the land (and Hangar building) with a value of circa £2 million, on which the Silverstone Heritage Experience will be built.
- 3.6 The Project's Round 1 application to the Heritage Lottery Fund (HLF) was successful. This gave SHL a grant of £446,000 towards the development of a Round 2 application which was submitted on 5<sup>th</sup> August 2016. The development of the Round 2 grant application has been closely monitored by the HLF and SHL are therefore confident of success, providing they have sufficient match funding (at least 80%) pledged by the time the bid is considered by the HLF Trustees Board in early November 2016.
- 3.7 Without the support of the local councils SHL will not have sufficient funds pledged and will lose the HLF grant and the Project will fail. The total remaining cost of the project is £18.46 million of which a grant of £9.23 million is being sought from the HLF. SHL is therefore seeking support from Aylesbury Vale District Council, South Northamptonshire Council, Buckinghamshire County Council and Northamptonshire County Council in the form of a ten year loan totalling £8 million split between the parties. The

loan can be made on a contingent basis assuming the application process with the HLF completes successfully.

- 3.8 Up to two seats will be made available to the Councils on the SHL Board of Trustees which also serves as the Project's steering committee. The loan can be paid back with interest by SHL over a ten year period. It is believed that the project will generate significant positive PR for its partners, both prior to and post opening as well as generating significant benefits for the region as outlined above.

#### **4 Financial Information**

- 4.1 Silverstone Heritage Limited has provisionally secured support from the National Lottery Heritage Fund and now needs to demonstrate that 80% of the scheme funding is in place as part of the Lottery's final sign off process. The practical deadline for Silverstone Heritage Limited to achieve this is the end October 2016.
- 4.2 It is the intention of Silverstone Heritage Limited to raise the balance of funding between the scheme cost and the Lottery funding through private donations and sponsorship, but fund raising in this way takes time to achieve and cannot be guaranteed to be secured within the window of opportunity available. Without the guarantees in place it is likely that the Lottery funding, and therefore the scheme, will fail.
- 4.3 Because of the importance of Silverstone to the surrounding and wider economies of the area and the importance that the Heritage Experience represents in terms of helping to secure the long term future of Formula 1 motorsports at the site, Silverstone Heritage Limited has approached the four upper tier councils that cover the Silverstone Circuit and has requested that they underwrite, via a loan facility, the funding gap for the scheme.
- 4.4 The loan facility requested is £8 million, (the difference between the scheme costs and the Heritage Lottery Fund) and each of the 4 councils has been requested to provide a facility for £2 million.
- 4.5 It is the intention of Silverstone Heritage that the majority, or possibly all, of the facility will not be required as a result of their fund raising activities. However, depending on the extent to which fund raising has been successful at the time that construction commences, a balance may need to be drawn down. The actual value drawn down would be split equally between the four councils supporting the scheme.
- 4.6 Any subsequent successes in raising funding or sponsorship would be used to part repay the actual amount of loan facilities drawn down early.
- 4.7 Because of the requirements of the Heritage Lottery Fund, it is not possible to have a legal first charge across the assets of the scheme, so any facility provided may only be secured by a second legal charge against some of the assets. The Heritage Lottery required the legal first charge in order to prevent the facility being sold or repurposed without their consent so that the Lottery awarded can be protected.
- 4.8 Therefore, depending on the amount of the loan facility actually drawn down, there is no guarantee that there would be sufficient equity in the venture to satisfy the legal charges, should a default occur. Whilst every effort will be made to try to secure some form of legal security, effectively, any loan granted by the councils should be considered as an unsecured loan.

- 4.9 In support of the business case and wider ambitions of scheme to promote and retain Silverstone and the heart of Formula 1 motorsports (with all of the economic and employment uplift this brings), the rate of interest payable on the loan is intended to be nominal. The actual rate is still to be negotiated and will need to be satisfactory to all of the 4 councils involved. However, it is expected that, in order to ensure that the scheme succeeds, the rate applied would be above the actual costs of borrowing and provide some level of return to the councils, but would still be well below normal commercial rates.
- 4.10 The due diligence on the business case presented by Silverstone Heritage Limited is being carried out by South Northamptonshire District Council on behalf of all councils involved, so as to ensure a consistent and shared understanding and position. At the time of writing this report the due diligence work is still being undertaken and so is not available for consideration.
- 4.11 If the due diligence is completed prior to the meeting of Cabinet then it will be circulated and summarised accordingly, else the Cabinet will be asked to make an in principle decision subject to the satisfactory conclusion of the due diligence work.
- 4.12 A summary version of the business case and numbers prepared by Silverstone Heritage Limited in support of the Heritage Lottery application is attached as a confidential appendix to this report for Members' information. In addition to the scrutiny and review of the figures by the four councils involved, the business case is also being carefully scrutinised by the National Lottery to ensure that it meets their requirements for Governance and robustness.
- 4.13 This Council's commitment is predicated on the National Lottery Heritage Funding being secured together with the support of the other councils being achieved, in order to secure the total £8 million sought.

## **5 Options considered**

- 5.1 None

## **6 Reasons for Recommendation**

- 6.1 Silverstone represents a significant hub for leisure, tourism, employment and high tech industry. Its draw and impact in the region extends much beyond the administrative boundaries of the councils surrounding it, with an economic radius estimated to be of up to 50 miles. Further, an estimated 36,000 jobs are dependent on Silverstone as the centre for UK motorsports and the home of Formula 1.
- 6.2 Additionally, the leisure, recreation and employment businesses that depend on the venue generate significant amounts of business rates for the councils in the area, and the changes to the retention of business rates mean that councils now benefit directly from the success of Silverstone.
- 6.3 The support requested for SHL within this report is recognition of strategic importance of the venue to Buckinghamshire and Northamptonshire and need to promote the venue and enhance its attraction in order to ensure the long term future of Formula 1 motorsports.

## **7 Resource implications**

- 7.1 If the Council's agree to offer the loan facility of up to £2 million in order to support the ambitions of the project then the amount drawn would be

considered capital expenditure under the requirements of Section 12 of the Local Government Act 2003 and would therefore require a variation to the Capital Programme.

- 7.2 In order to meet the deadline of raising the necessary project funding so that the scheme will qualify for the Heritage Lottery Funding the recommendation will need to be made direct to Council without the normal consideration of Scrutiny.
- 7.3 Funding for the scheme could be identified from the remaining balance on the New Homes Bonus Reserve, which currently stands at this figure. If supported a sum of £2,000,000 would be transferred to Capital Balances to fund the position.
- 7.4 At the point of repayment the receipt will be classified as a Capital Receipt, whilst the interest payable will be treated as Revenue and taken into the General Fund.

Contact Officer  
Background Documents

Andrew Small 01296 585507

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**Cabinet**  
**6 September 2016**

**GAWCOTT SOLAR FIELD COMMUNITY INTEREST COMPANY**  
**Councillor Mordue**  
**Cabinet Member for Finance, Resources and Compliance**

**1 Purpose**

- 1.1 This report seeks authority and funding to participate in the Community Bond Offer for Gawcott Fields Community Solar CIC (Community Interest Company).

**2 Recommendations**

- |     |   |
|-----|---|
| 2.1 | That Cabinet is requested to consider whether it wishes to Recommend to Council that it;  |
| 2.2 | Agrees to take a Bond holding position in the Gawcott Fields Community Solar project of up to £200,000 in support of its Community and Renewable Energy objectives; and |
| 2.3 | That necessary provision be made in the Capital Programme to enable this purchase; and  |
| 2.4 | That the amount agreed up to £200,000 is moved from the unallocated General Fund Working Balance into Capital Resources to fund this purchase.                          |

**3 Supporting information**

- 3.1 The Council was approached by Communities for Renewables CIC, in respect of the proposed Solar Farm development in Gawcott. At that point Communities for Renewables had a well developed and advanced proposal for the scheme with all necessary permissions, agreements and contractors in place to deliver the scheme by the Feed in Tariff deadline of 29 June 2016.
- 3.2 Communities for Renewables is a specialist advisory company that helps local energy enterprises to develop, finance and manage renewable energy generation schemes that are owned by and run for the benefit of the local community. They have considerable experience in this field and were seeking the Council's commitment to participate in a Community Bond Offer both as an advocate of the concept and to encourage members of the local community to also invest in the proposed Gawcott Fields Community Solar Community Interest Company (Gawcott CIC).
- 3.3 A community interest company (CIC) is not established or conducted for private gain, but rather to benefit the community. The Gawcott CIC will generate a 'Community Surplus' instead of a profit and this Community Surplus must be used to provide funding for community organisations and projects in the local community. This particular scheme is hoped to generate up to £1.5 million over the 30 year life of the project.
- 3.4 The 'Local Community' is defined as the parishes within a 5km radius of the Community Solar Farm.
- 3.5 Initially, the Community Interest Company Board will be made up of Jake Burnyeat and Tom Cosgrove of Communities for Renewables CIC and Ian Payne, CEO of Citizens Advice Buckingham, Winslow and District. In time, it is intended that the Board membership will be expanded to include other directors taken from the local community. This may include the opportunity for

an elected member of AVDC to take a Board position should this proposal be accepted.

- 3.6 The Buckingham Accountancy firm, Tearle & Carver are providing support to the Board in addition to providing accountancy services.
- 3.7 The scheme will be partly financed by a bank loan and partly by a Community Bond issue. It is proposed that the Council take a stake in the Bond issue to support the Community and the Renewable energy aspirations which form the basis of this report.

#### **4 Scheme Details**

- 4.1 The project is an operational 4.17MWp solar PV array at Gawcott Fields, adjacent to an existing 5MWp solar PV field array owned by the landowner. This completes the planning application for 9.18MWp scheme under a planning application dated July 2014. Planning consent was given on 28 October 2015.
- 4.2 Solar is a proven technology and at the end of 2014, global PV arrays amounted to 175GWp (International Energy Agency) or around 700 million panels.
- 4.3 Expectation of annual generation from the array is 4,100MWh of electricity per year from approximately 16,000 panels. The annual electricity generation estimate which underpins the business plan has been produced by an independent technical expert and is considered to be a robust long term projection, accepted and relied upon by commercial lenders. Whilst weather conditions are subject to short term and inter-annual variations, a good level of certainty over long-term averages can be assumed. Given that the average UK home uses around 4,100kWh of electricity per year, this array amounts to energy for approximately 1,000 average homes.
- 4.4 The arrays sit adjacent to one another and are connected to the same grid connection.
- 4.5 The scheme is unique in that it was one of the last to take advantage of the more generous guaranteed Feed in tariff rates for the electricity generated. To qualify, the scheme had to be completed before the deadline of 29 June 2016 (which it achieved). Meeting this deadline meant that it qualified for a rate of £0.0623/kWh generated. Had the deadline not have been met, the FIT would have degraded to £0.0087/kWh generated. Any future scheme will be much harder to justify (and finance) because of the ending of these guaranteed favourable Feed In Tariffs.
- 4.6 In order to meet the requirements of the FIT incentive, the project as it sits beside the 5MWp commercial array, must be a Community Owned and operated project.
- 4.7 The array is all export meaning that there is no use of the electricity that is generated being utilised on site at Gawcott.
- 4.8 The construction contractor, Pfalz Solar, is to take responsibility for the operation and maintenance (O&M) of the site for up to 10 years, with the ability to break the contract after 5 years. The site is flat and there is perceived to be no flood risk. Site is secured and bounded by 2m fencing and there is limited CCTV monitoring on site. Pfalz Solar has considerable experience in the design, installation and management of these projects throughout Europe.

- 4.9 The export floor rate is £.0491/kWh meaning that this is what is expected to be delivered for every kWh generated and exported to grid. A decision may be made later to adjust this to a market based figure (if a higher rate can be achieved as a consequence of doing so) through a power purchase agreement (PPA). As a consequence, the project benefits from both the generation and export tariffs so the total value of the power generated is 6.26p + 4.91p/kWh.

## **5 Financing and the Bond Offer**

- 5.1 The approximate cost of the development and construction of the site is £4m. This is to be funded around 70% by Santander bank and around 30% by the community bond offer.
- 5.2 Should the Bond Offer fail to generate the minimum amount of community interest then the scheme may be sold to an institutional investor and the Community Interest value lost as a consequence.
- 5.3 The bond holding position recommended within this report should enable the scheme to meet its minimum amount.
- 5.4 The Bonds are offered for sale in £250 lots and the expectation is that these will received a 6% return. The Bond will represent a contractual obligation, but the Bonds are unsecured and should for any reason the company fail then there is no special protection for Bond holders.
- 5.5 If the 6% return is not achieved in any given year then the difference between the actual amount payable and the target return will be carried over and paid when funds allow.
- 5.6 If inflation rises above 3%, the bond interest will increase by 0.5% for each 1% rise above 3%. This is possible as the feed-in tariff income is inflation linked.
- 5.7 The Bonds will be repayable at the end of the 20 year term, or sooner (at the discretion of the CIC), should the finances allow.
- 5.8 The Bonds are tradable but only on the proviso that a willing purchaser can be found.
- 5.9 Bond offer is currently open to the end October 2016.
- 5.10 A detailed and comprehensive prospectus has been prepared for the Community Bond Offer for which the link is as follows – [www.gawcottsolar.co.uk](http://www.gawcottsolar.co.uk) .
- 5.11 The prospectus contains the details of the scheme proposals, the finances and the validation of the proposals by the appropriate professionals.
- 5.12 The bond offer has been approved as an authorised financial promotion by Bates Wells Braithwaite solicitors. This involves a full verification review of all the statements made in the bond offer document.
- 5.13 The financial projections have been prepared by Westerly Chartered Accountants. A financial model is available.

## **6 Options considered**

- 6.1 None

## **7 Reasons for Recommendation**

- 7.1 The scheme proposed has tangible community benefits because of the Community Interest Company structure which underpins it also meets many of the Council's wider renewable energy aspirations set out in the Nottingham Agreement.
- 7.2 The scheme is also likely to be the last of its type because of the significant reductions in the generosity of the guaranteed Feed In Tariffs. Finally, the scheme is well conceived, prepared and is currently completed and is generating electricity in line with the business plan which underpins it.

## **8 Resource implications**

- 8.1 If the Council's agrees to take a Bond holding position in this company of up to £200,000 in order to support the community and renewable energy ambitions of the project then the funding would be considered capital expenditure under the requirements of Section 12 of the Local Government Act 2003 and would therefore require a variation to the Capital Programme.
- 8.2 To meet the deadline of the project to raise the requisite minimum amount of funding the recommendation will need to be made direct to Council without the normal consideration of scrutiny.
- 8.3 Funding for the scheme could be identified from the Council excess Working Balances held at the start of the year and if supported a sum of up to £200,000 would be transferred to Capital Balances to fund the position.

Contact Officer  
Background Documents

Andrew Small 01296 585507

## AYLESBURY VALE COMMUNITY CHEST

### COUNCILLOR A MACPHERSON CABINET MEMBER FOR LEISURE, COMMUNITIES AND CIVIC AMENITIES

- 1 Purpose** – For information: to update on the Community Chest Annual Report for year 9 (2015-16) and update on the final year of this ten year fund (2007-17)

**2 Recommendations**

- 2.1 That Members note the information provided in the annual report.
- 2.2 That charities, voluntary and community groups, social enterprises or Parish Councils in the Vale with eligible projects, be encouraged by Members to contact the grants officer as soon as possible so they don't miss out on the remaining opportunities to apply for funding.

**3 Executive Summary**

- 3.1 2016-17 is the final year of this ten-year arrangement between the Vale of Aylesbury Housing Trust and Aylesbury Vale District Council to provide £5m of funding for voluntary and community sector projects in Aylesbury Vale.
- 3.2 The 2015-16 annual report attached gives a picture of the wide variety of different projects which have been funded.
- 3.3 The leverage on grants has decreased slightly in the past year, to £5.81 of local investment for each £1 granted. The average over the past nine years is nearly £8, with £32.5m of projects supported through the £4.1m granted by the end of March 2016.

**4. Supporting Information**

- 4.1 The Community Chest was launched in March 2007, established under schedule 19 of the stock transfer agreement with the Vale of Aylesbury Housing Trust (The Trust)
- 4.2 Each partner to the fund (AVDC and The Trust) agreed to contribute £250,000 to the Community Chest fund each year, from tax reclaimed under a VAT shelter arrangement.
- 4.3 Each partner provides three representatives for the Grants Panel.
- 4.4 Since the fund launched, to the end of July 2016, 715 grants totalling £4,355,229 have been awarded.
- 4.5 The penultimate project grants round closed on 8<sup>th</sup> July 2016, and the eleven applications received will be considered by the Community Chest Grants Panel on September 19<sup>th</sup> 2016.
- 4.6 The final round of project grants (up to £25,000) closes on 2<sup>nd</sup> December 2016, with the final Grants Panel meeting scheduled for 9<sup>th</sup> January 2017.
- 4.7 Microgrant applications (up to £1,000) will be accepted until 15<sup>th</sup> December, with monthly assessment by the grants officer using a scoring system.
- 4.8 An annual event (called 'Working Together') has been held each summer since 2008, as a celebration and networking event for grant recipients. In 2016, the Working Together event

took place on 8 June in Westbury Village Hall. The final 'Working Together' event will be held at the Gateway on Friday 17<sup>th</sup> March 2017, 5-7pm.

- 4.9 A final annual report and summary of the ten years will be published by the end of March 2017.

## 5. Options considered

- 5.1 It has previously been looked into, to find out whether the current VAT shelter agreement could be extended, but with changes in HMRC rules this does not appear to be possible.
- 5.2 AVDC has introduced the Vale Lottery as an alternative fundraising vehicle for local groups.
- 5.3 AVDC has opened out the community grants process, so it may be possible for some organisations identified during the Community Chest period to apply, but as this is a competitive process, there is no guarantee of funding.
- 5.4 The Trust are looking into what options they may put in place to help their residents secure funding for projects which will benefit their local community.

## 6. Reasons for Recommendations

- 6.1 The annual report gives information on the types of project which have been funded in the past year, which may help Members identify other projects which could be supported.
- 6.2 The final deadlines for applications are approaching in December 2016.

## 7. Resource implications

- 7.1 See 4.2 above, the Community Chest grants and all oncosts are fully funded through a VAT shelter arrangement.
- 7.2 The only resource implication beyond the end of March 2017 is a small amount of officer time in following up monitoring returns for any projects which are not completed by 31<sup>st</sup> March 2017.
- 7.3 As the Cabinet meeting will be held in Great Brickhill on 6<sup>th</sup> September, please see below examples of projects recently funded in the Great Brickhill & Newton Longville ward area:

<b>So far in 2016-17</b>	<b>£</b>	
Drayton Parslow Cricket Club	1,000	Pitch Roller
Stoke Hammond Village Show	900	Hire of marquee, tables and flooring 3.9.16
<b>During 2015-16</b>		
Drayton Parslow Parish Council	900	Safety mats for village hall floor
Stoke Hammond Village Show	900	Hire of marquee, tables and flooring 5.9.15
Stoke Hammond Community Ass'n	6,000	Upgrade of community centre
Soulbury Village Cricket Club	999	Replacement windows for pavilion
Great Brickhill Tennis Club	850	Two table tennis tables
Great Brickhill Parish Hall	22,000	Play area improvements
Stoke Hammond Community Ass'n	<u>600</u>	New oven

Contact Officer Sarah Rothwell, Community Chest Grants Officer, x5634 [srothwell@aylesburyvaledc.gov.uk](mailto:srothwell@aylesburyvaledc.gov.uk)  
Jan Roffe, Grants and Voluntary Sector Liaison Officer, x5186 [jroffe@aylesburyvaledc.gov.uk](mailto:jroffe@aylesburyvaledc.gov.uk)

Supporting Documents Community Chest Annual Report, 2015-16  
Community Chest Summary and Criteria

# Community Chest

*a partnership initiative*



## Year Nine Report 2015 – 2016







**Above:** *Working Together*, 8<sup>th</sup> June 2016 – group photo of Community Chest Grant Recipients, Westbury Village Hall  
[www.mjdphoto.biz](http://www.mjdphoto.biz)

**Front Cover:** (clockwise from top left) Drayton Parslow Parish Council (Karate Club in the Village Hall), Calibre Audio Library volunteers, Stoke Hammond Community Association, Bearbrook Running Club (triathlon training), Horses Helping People CIC, Soulbury Village Cricket Club

Photographs in this report are either provided by the projects themselves, taken by Grants Panel members or by MJD Photography unless otherwise acknowledged. [www.mjdphoto.biz](http://www.mjdphoto.biz)

£4.1 million distributed through the Community Chest over the past nine years has enabled voluntary and community organisations to invest more than £32.5 million in services, activities and facilities for people living and working in or visiting Aylesbury Vale

More than 1,250 volunteers supported the 79 projects which were funded by the Community Chest in 2015-16

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Cllr Paul Irwin, Cllr Janet Blake, Masaud Subedar  
Kate Russell, Katie Ayala, Penny Foulds, Cllr Gary Powell

### Grants Panel Membership 2015-16

#### Aylesbury Vale District Council

**Cllr Janet Blake**, Member for Stewkley

**Cllr Paul Irwin**, Member for Waddesdon

**Cllr Gary Powell**, Member for Walton Court & Hawkslade  
(panel member to March 2016)

#### Vale of Aylesbury Housing Trust

**Katie Ayala**, Stakeholder Engagement Manager  
(panel member from January 2016)

**Penny Foulds**, Head of Finance  
Grants Panel Chairman 2015-16

**Kate Russell**, Director of People and Performance  
(panel member up to January 2016)

**Masaud Subedar**, Head of Community Services

## What is the Community Chest?

In 2006, **Aylesbury Vale District Council (AVDC)** transferred its housing stock to the **Vale of Aylesbury Housing Trust (The Trust)**. This partnership fund, jointly managed for community projects, was set up by the two organisations as part of the stock transfer. Each partner contributes equally to the agreed budget of £500,000 per year (including administration costs). This ten year fund ends in March 2017.

Applications are welcome from charities, voluntary and community groups, parish councils and social enterprises, for projects taking place in Aylesbury Vale which contribute to one or more of our five priority areas, listed above right.

During 2015/16, seventy nine grants totalling £503,169 were awarded. Since 2007, 694 grants have been awarded, and a total of £4,092,779 has been distributed to benefit people in Aylesbury Vale.

The grants budget for this year benefited from £31,000 additional funding, refunded from previous grants, due to two projects which did not go ahead and three which came in under budget.

A list of 2015-16 grants can be found on pages 9-10. Funding is awarded through three grant streams:

- Cohesive and Strong Communities
- Safer Communities
- Thriving Economy
- Sustainable Environment
- Health and Wellbeing

- **Microgrants up to £1,000 are assessed and awarded monthly using a scoring system.** Forty-six organisations received microgrants in year nine, with an average value of £854.
- **Project Grants up to £25,000 are reviewed three times a year by a Grants Panel (see below), which consists of three AVDC councillors and three representatives from the Trust.** Twenty one project grants averaging £14,613 were approved in 2015-16.
- **Three Year Revenue Grants (3YR) – up to £20,000 pa.** Twelve grants averaging £13,083 per year were awarded by the Panel in November 2013 for the funding period 2014-17.

## Report from the Grants Panel Chairman



When I joined the Trust, nearly 10 years ago, one of my first jobs was working with AVDC to set up the Community Chest. However it wasn't until I joined the panel that I understood the impact that the Community Chest has on the community.

I have met so many enthusiastic volunteers and staff members, passionate about what they do, and freely giving up their time to support their communities.

The first AGM I attended was for Chilterns MS Centre where over 100 people had given up their Sunday afternoon to support the Centre and get involved. I loved my visit to Stocklake Park School where I met their dog, Patience, who works with children with disabilities. I have also been lucky enough to attend the 10-year celebration of the Amazing Donkey Youth Club in Wendover, the opening of a mural under a canal bridge in Aylesbury, which was designed and painted by young people, and the launch of the Art of Islam exhibition at Bucks County Museum, where I met a wonderful 90 year old volunteer!

I'm proud to have been part of the Community Chest and very privileged that I have witnessed the difference, first hand, it can make to people's lives.

Thank you all for your part in the success of the Community Chest funding.

*Penny Foulds, Head of Finance, Vale of Aylesbury Housing Trust*

*Young Carers in Schools Awards*



## Microgrants

In rural areas, sports clubs and community buildings provide meeting places and a wide range of events and activities to help overcome rural and social isolation.

A small injection of grant funding can be added to the time and effort of volunteers and local community fundraising, to improve facilities.

A quick turnaround on these monthly grants can make all the difference.



Aston Clinton Bowls Club



Buckingham West End Bowls Club



Winslow Bowls Club



Edgcott Village Hall



Ivinghoe Old School Community Hub



IQRA



Buckingham Canal Society



Carers Bucks



BBOWT

## Project Grants

Just three examples of the wide variety of projects supported: match-funding to lever in grants to revive a towpath; an awareness raising campaign to help identify and support young carers in schools; and signage at nature reserves.

## 3YR Grants

We've awarded twelve groups funding for running costs from 2014-17 including: youth provision in Buckingham; a specialist preschool for children with autistic spectrum disorders in Middle Claydon; Aylesbury Vale Vision Network

Coordinator – managing a service to recruit and train volunteers to support visually impaired people across Aylesbury Vale.



Buckingham Youth Clubs



Puzzle Pre School



Bucks Vision

## Working Together 2016

This year's celebration event for grant recipients was held at Westbury's fabulous new village hall, in the North West corner of Aylesbury Vale, about 5 miles from Buckingham.

The evening started with tasters from new suppliers lined up for the shop, followed by a guided tour, from accessible changing rooms through the hall and bar to the volunteer run shop and café. It was great to see so many local people using the facilities, from shop and café customers to the newly rejuvenated village youth club, which brings together local young people who attend six different schools.



Westbury Community  
Shop and Cafe

Sue Barrett and Robin Bone gave us an overview of the **Westbury** project, from engaging the local community in planning and development, through the time and effort involved in fundraising, management of the project delivery and all the 1001 small decisions that have to be taken along the way.

Everyone was very impressed with the results, and several groups have taken away ideas they want to try with their own community buildings.

Outgoing Grants Panel Chairman Penny Foulds, Head of Finance at Vale of Aylesbury Housing Trust, spoke about the range of different projects funded through the Community Chest, having visited the Chilterns MS Centre, Stocklake Park's School Dog and Aylesbury Youth Concern during her year as chair.

**Buckingham Canal Society** gave a technical presentation about their work to restore and conserve the Buckingham Arm of the Canal, from their beginnings as a heritage society to now being fully immersed in excavating, relining and re-watering canal sections, rebuilding and maintaining towpaths, involving around 8,000 hours of volunteer time each year.

**Buckingham Youth Clubs** shared the story of their journey from facing closure due to County Council cuts through developing a locally owned and managed service to continue to provide evening and school holiday activities and clubs for young people in Buckingham Town.

**BuDS**, Bucks Disability Service described the misconceptions around how to involve people with disabilities in community activities and events, and showed us the accessible viewing platform with a hearing loop for people with hearing aids and a raised area for wheelchair users to enable them to see the action, particularly at events where the majority of viewers are standing.

The **Oasis Partnership** talked about their addiction recovery service, and the need to identify something constructive to replace that addiction with – our funding was used to kit out an art and craft therapy room, to enable people to work through their recovery with support and also develop transferable skills such as jewellery making that could help them to earn an income in future.

Cllr Janet Blake, incoming chairman for the final year of the Community Chest, spoke about how much applications have improved since 2007, and encouraged everyone to think about which other groups they know of who may not yet have applied for funding, and let them know so they don't miss out.

**Feedback received** 'A terrific event in a most impressive venue'

*'The Westbury project is truly a success story and we hope our project is one too.'*

*'Hugely impressed by the building and the enthusiasm of the Westbury team'*

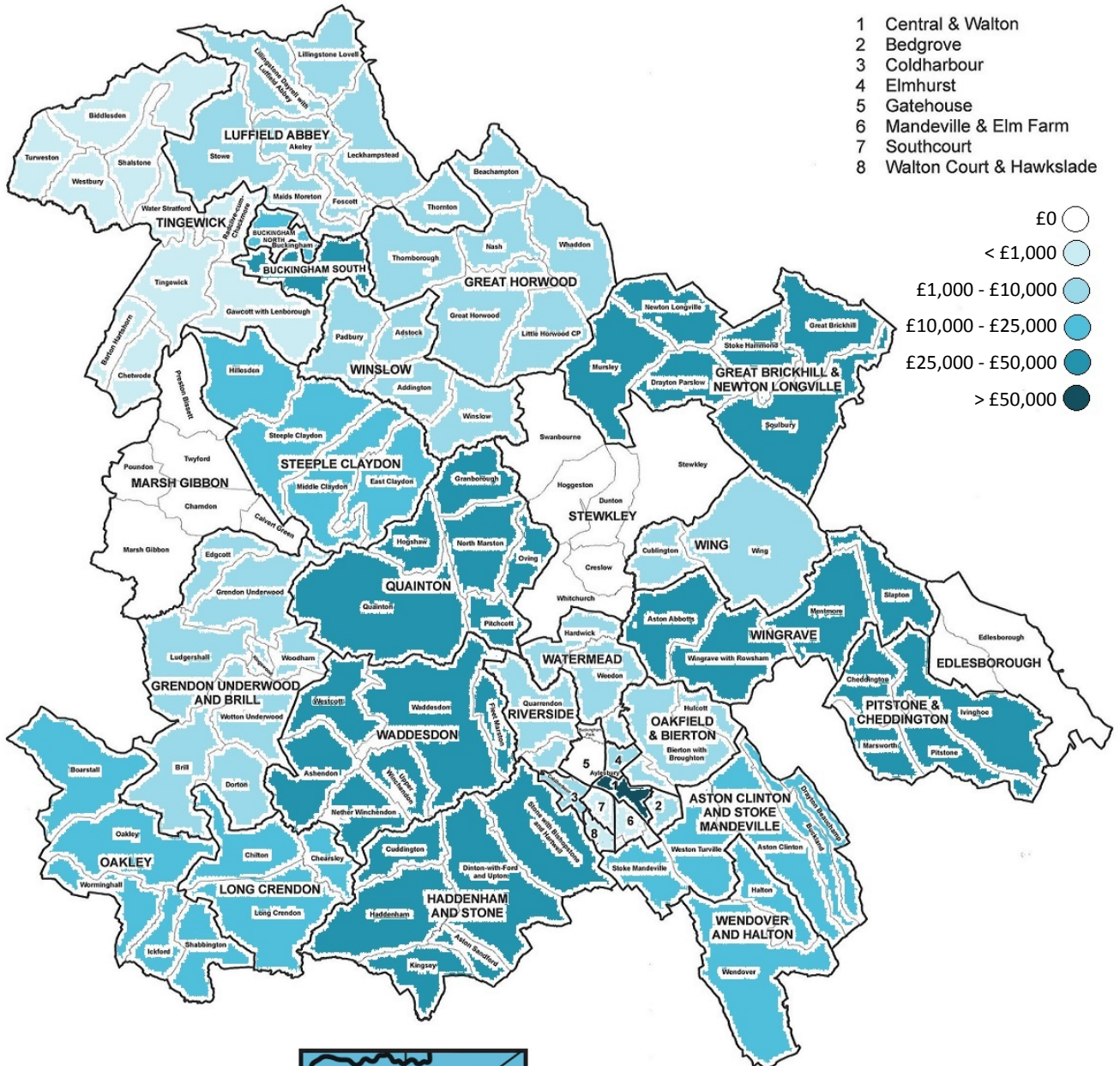
*'I wanted to thank you for the invite to the presentation last night. What an amazing building and the volunteers who worked on the project are so passionate! I really enjoyed the four other speakers too. You work so hard to ensure the money is well spent.'*

**'An excellent event!'**



# Distribution of Grants Awarded in Year 9 April 2015 – March 2016

A1 – by Aylesbury Vale District Ward Areas (revised ward boundaries in use since 2015 elections)



A2 – by Vale of Aylesbury Housing Trust Regions

£

<b>N</b> = North area	101,863
<b>E</b> = East area	207,830
<b>W</b> = West area	51,526
Vale-wide Services	<u>41,950</u>
	£ 503,169

## Facts and Figures

Tables B1-B3 Single-year breakdown for year 9, 2015-16

B1. figures for the three grant streams in year 9, 2015-16	Applications Received	Grants Awarded	% success rate	£ Total Funding Awarded	Total Cost of Funded Projects £	£ Investment for every £1 granted
Microgrants	47	46	98	39,286	235,558	6.00
Project Grants	24	21	88	306,883	1,305,469	4.25
Three-Year Revenue Grants	16	12	75	157,000	1,383,149	8.81
<b>Total</b>	<b>87</b>	<b>79</b>	<b>91</b>	<b>503,169</b>	<b>2,924,176</b>	<b>5.81</b>

In tables B2 and B3, some applications contributed in more than one area. All applications must meet at least one of the grants criteria priorities.

Thriving Economy priorities include projects delivering services within areas of relative deprivation according to the National Indices of Deprivation, and projects which support families and vulnerable people.

Grants criteria are taken from priorities in the *Sustainable Community Strategy for Aylesbury Vale*.

Some organisations or projects have a specific focus on one particular beneficiary group.

Every applicant must have an up-to-date Equality Policy and demonstrate that they understand how to implement their policy to give equality of access to facilities, activities, services, volunteering and employment opportunities and membership of their management committee or trustee board.

B2. Grants Criteria – one or more priority areas met under the following headings	Number of Grants
Cohesive and Strong Communities	79
Safer Communities	50
Thriving Economy	72
Sustainable Environment	36
Health and Wellbeing	79
<b>Total Number of Grants Awarded</b>	<b>79</b>

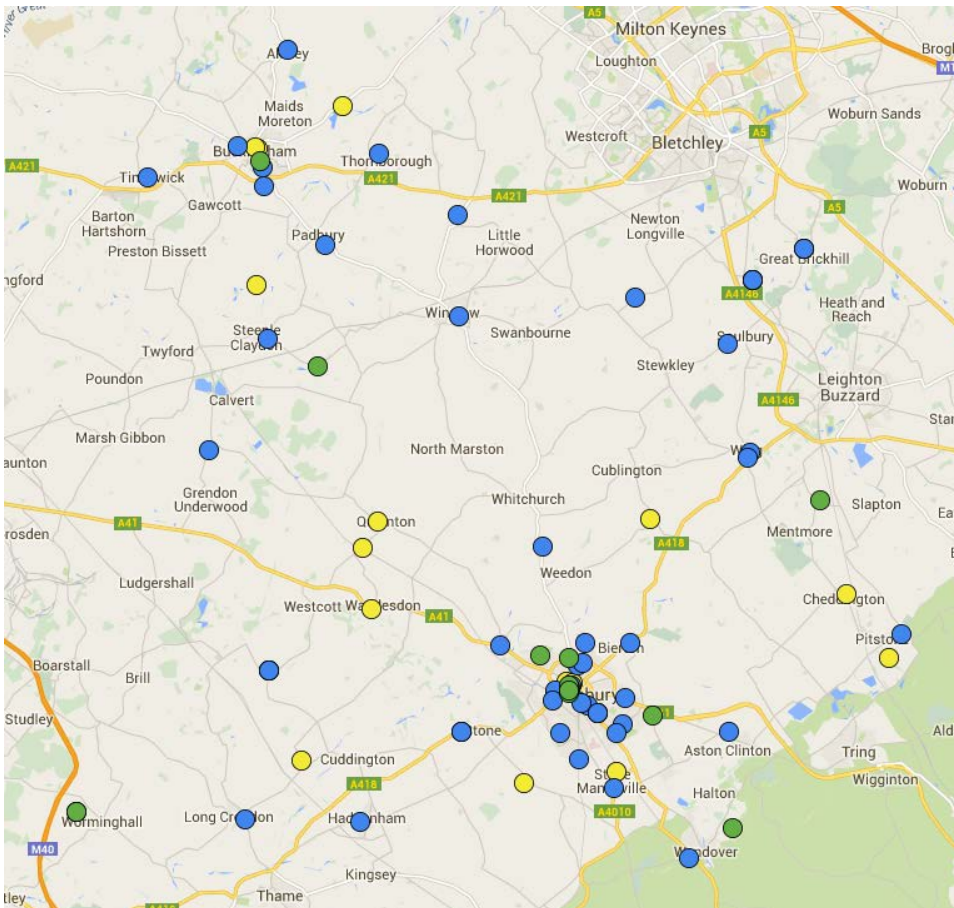
B3. Equalities Focus (2015-16 grants)	Number of grants
Disability	21
Older People	21
Women	5
Ethnic Origin/Culture/Language	3
Children	32
Young People	32
Non-specific wider community involvement	62
<b>Total number of grants awarded</b>	<b>79</b>

B4. Total Community Chest grants awarded to local projects over the past nine years, 2007-16

Grant Stream	Applications Received	Grants Awarded	£ Total Funding Awarded	Total Cost of Funded Projects £	£ Investment for every £1 granted	Number of Beneficiaries
Microgrants	505	481	409,589	2,297,901	5.61	422,774
Project Grants	235	182	2,373,190	18,799,290	7.92	672,344
3YR Grants*	55	30	1,310,000	11,474,583	8.76	1,096,021
<b>Total</b>	<b>795</b>	<b>693</b>	<b>4,092,779</b>	<b>32,571,774</b>	<b>7.96</b>	<b>2,191,139</b>

\*3YR figures include funding awarded for all three rounds, 2008-11, 2011-14 and 2014-17, excluding 2016-17 payments

[Link to interactive map of year 9 grants created on Google MyMaps](#)



- Microgrants
- Project Grants
- 3YR Grants



Aylesbury Advanced Motorists



**Feedback form comments**

**'Excellent process and procedure'**

*'Thank you for your help it's greatly appreciated'*

**'Very good system, easy to follow and with prompt monthly decision, is very helpful in collating funds for a project.'**

*'The procedure is clear.'*

**'Without the Microgrant from [the Community Chest] it would not have been possible'**

*'The experience of making an application for funding from the Community Chest has been extremely straight forward and helpful. Thank you for making it so.'*

**'We found the whole experience very friendly and helpful and we are grateful to the team for their consideration of our application.'**

*'Our thanks go to AVDC and VAHT for their assistance to our charity which is much appreciated by all.'*

Armenity Bench in Ashendon and Wing Singers





## List of Grants Awarded, April 2015 – March 2016

Name of Organisation	£	Purpose
Aylesbury & District Citizens Advice	3,000	Combatting worklessness through volunteering – NEET training placements
Aylesbury Homeless Action Group	20,000	The Hub drop in sessions for homeless adults
Buckingham Youth Clubs Ltd	10,000	Core costs to run four evening youth clubs each week for 50 weeks per year
Bucks Mind	10,000	Adult counselling service
Bucks Vision	5,000	Co-ordinating volunteer support for blind and visually impaired people
Calibre Audio Library	10,000	Supporting volunteers in changing times - volunteer co-ordinator
Chilterns MS Centre	16,000	Physiotherapy provision for people with MS
ENRYCH	10,000	Volunteer support for adults with disabilities in leisure and learning activities
Home-Start Aylesbury	13,000	Supporting young families through specially trained volunteers
Horses Helping People	20,000	Client sponsorship, volunteer training, winter running costs
Puzzle Centre	20,000	Core service - specialist pre-school for children with autistic spectrum disorders
Thomley	20,000	Activity centre for children and young people with physical and learning disabilities
<b>3YR Grants (year 2 payments)</b>	<b>£157,000</b>	
Ashendon Playing Fields Association	22,500	Multi-use games area (MUGA)
Aston Abbots Village Hall	14,000	Village hall refurbishment
Bishopstone Village Hall Trust	25,000	Refurbishment project
Buckingham Canal Society	2,569	Hyde Lane Nature Reserve - footpath construction (WREN match)
Buckingham, Winslow & District Citizens Advice	12,000	Home visiting service
Bucks County Museum	5,000	Promotion of the Museum through an exhibition and programme of activities
Carers Bucks	21,950	Young Carers in Schools Award
Chearsley Cricket Club	16,000	Practice net facility
Cheddington Village Hall	20,000	Storage extension to free up space in the hall and improve safety for hall users
Great Brickhill Parish Hall Committee	22,000	Play area project
Ivinghoe & Pitstone United Cricket Club	12,873	playing facility improvements (revised)
Lymphoma Association	25,000	Psychological support services for people affected by lymphatic cancer
Quanton Railway Society Limited	25,000	Restoration of the Romney Buildings
Saye and Sele Foundation	20,000	Restoration of the Saye & Sele Hall, Quanton
Slade Recreation Club Ltd	16,000	Indoor Bowls - play surface, LED lighting, new heating/air conditioning
Stoke Hammond Community Association	6,000	Upgrade of community centre - redecorating and plumbing
Stoke Mandeville Parish Council	9,000	Outdoor Gym (Olympic/Paralympic Legacy Project)
Stone with Bishopstone & Hartwell Parish Council	8,991	play facility improvements - 3rd party funding for WREN and SITA
Swan Credit Union	4,000	Aylesbury Vale Community Bank development worker
Waddesdon Hall	6,000	Exterior restoration and repair
Young Enterprise	13,000	Aylesbury Vale learner development journey
<b>Project Grants</b>	<b>£306,883</b>	
1365 Air Training Corps	1,000	IT and training equipment purchase
1st Berryfields Scouts	1,000	Camping and navigation equipment for a new and growing scout group
5th Aylesbury Scouts	1,000	Lighting renewal in Scout HQ main hall
Akeley Parish Council	850	Community noticeboard
Ashendon Parish Council	1,000	Community Bench
Ashendon Playing Fields Association	1,000	Replacement Swing Set
Aston Clinton Bowls Club	1,000	Paved area renewal project
Aylesbury Advanced Motorists	1,000	Bike to bike radio communication
Aylesbury Deaf Coffee Morning Club	900	Venue hire for fortnightly social meetings

Aylesbury Opera Group	675	Production of 'Eugene Onegin' by Tchaikovsky in Quainton and Wendover
Aylesbury Symphony Orchestra	150	rebranding - new logo design
Aylesbury Vale Breathe Easy Group	700	Yoga Sessions
Aylesbury Woodcraft Folk	400	Venue hire for children/young people's activity group
BBOWT	1,000	Interpretation boards at Bacombe Hill Nature Reserve, Wendover
Berks & Bucks Football Association	900	Over 50s Walking Football - start up costs for groups in Aylesbury and Buckingham
Bierton Lawn Tennis Club	1,000	Junior tennis court and practice wall ( <a href="#">see picture below</a> )
Broughton Community Action	1,000	More+ not-for-profit coffee shop
Buckingham West End Bowls Club	1,000	Replacement mower
BuDS	1,000	Portable viewing platform for disabled visitors at events
CHAT	235	New printed stationery (Children, Health And Therapy)
Dinton Cricket Club	1,000	Mobile cricket wicket covers
Drayton Parslow Parish Council	900	Safety mats for village hall floor
Edgcott Parish Council	1,000	WREN match-funding for accessible toilet and storage
Elmhurst Youth Project	900	Contribution towards youth club running costs including venue hire
Great Brickhill Tennis Club	850	Two tables for new table-tennis club
Great Horwood Cricket Club	1,000	Ground improvement works (drainage, levelling, reseeding the cricket square)
Hardwick Parish Council	700	Village noticeboard
IQRA Women's Association	900	Women's Support Group, based in the Family Centre at Elmhurst School
Ivinghoe Old School Community Hub	1,000	PA system and projection screen
Long Crendon Bowls Club	800	Insulation and recladding of clubhouse roof
Padbury Village Football Club	795	Portable floodlights
Polish Saturday School	1,000	Contribution towards classroom hire, 30 Saturdays per year
Red Kite Dance Company	520	Venue hire and tutor costs while developing membership
Slade Recreation Club	1,000	Replacement water boiler and lighting units
Soulbury Village Cricket Club	999	Replacement windows for cricket pavilion
Stoke Hammond Community Association	600	New oven for community centre kitchen
Stoke Hammond Village Show	900	Marquee and flooring hire for village show, September 2015
Thomley	1,000	Equipment for the new music room and upgrade of the sensory room
Thornborough & Nash PreSchool	900	Safety improvements to Thornborough cricket pavilion to enable relocation
Tingewick PreSchool	800	Outdoor mud kitchen for creative messy play
Turn End Trust, Haddenham	1,000	Purchase of two gazebos as flexible outdoor 'classrooms' for workshops and other events
Watermead Parish Council	390	Community noticeboard
Wing Heritage Group	896	Four gazebos and two digital cameras for archaeological work and exhibitions
Wing Singers	826	Choral score folders and choir uniform
Winslow Bowls Club	800	Replacement short mats for indoor bowls
<b>Microgrants</b>	<b>£39,286</b>	

**£503,169 Total Grants Awarded 2015-16**



Opening the new junior court at Bierton Lawn Tennis Club

The Community Chest is open to new applications for microgrants and project grants until December 2016

More than a third of grants awarded in 2015-16 went to organisations that had not previously received any funding from the Community Chest.

Could your organisation benefit in 2016-17, the final year of Community Chest funding?

Get in touch!



Bishopstone Village Hall – before and after renovation work, and in use for a village film night

More information about the Community Chest is available online [aylesburyvaldc.gov.uk/communitychest](http://aylesburyvaldc.gov.uk/communitychest) or from the Grants Officer

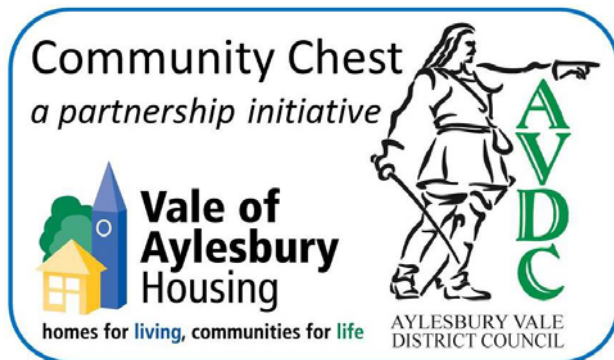
Community Chest Grants Officer  
Communities Team  
The Gateway  
Gatehouse Road  
Aylesbury  
HP19 8FF  
[communitychest@aylesburyvaldc.gov.uk](mailto:communitychest@aylesburyvaldc.gov.uk)  
01296 585634



[www.aylesburyvaldc.gov.uk](http://www.aylesburyvaldc.gov.uk)

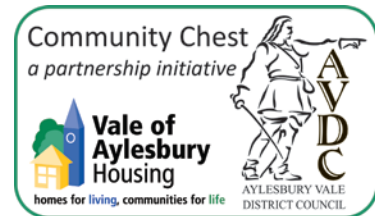
[www.vaht.co.uk](http://www.vaht.co.uk)

This report can be made available in large print or audio format  
Please phone 01296 585634



# Aylesbury Vale Community Chest

## Summary of Information - 2016



### What is the Community Chest?

Launched in March 2007, the Aylesbury Vale Community Chest is a **partnership fund** accountable to both **Aylesbury Vale District Council (AVDC)** and **Vale of Aylesbury Housing (the Trust)**. This partnership fund was set up during the transfer of housing from AVDC to the Trust.

The budget set aside is up to £500,000 per year for ten years, ending in March 2017, so 2016-17 is the **final year** of grant awards. Each partner contributes equally to the fund, from refunded VAT. June 2016 took us to over £4.35 million awarded through more than 700 grants.

The Community Chest is open to applications from all sectors of the community and aims to improve the quality of life for all our residents. As there are some areas of the district which do not enjoy the same high quality of life as others, we welcome applications from projects aimed at addressing those issues.

For applications to succeed, organisations must demonstrate how they contribute to the **Sustainable Community Strategy for Aylesbury Vale** – the Grants Criteria at the end of this document are taken from the Strategy. Eligible applications supported by evidence of local need will always be considered.

Funding is open to voluntary and community organisations. As the fund continues to be over-subscribed with applications from the voluntary and community sector, collaborative projects involving statutory partners are not currently eligible to apply.

In setting up this fund consideration has been given to the principles of the ComPAct (*Communities, Partnerships, Action*). The Community Chest aims to work to the guidelines set out in the Buckinghamshire Compact. We want to learn from our recipients in order to be an effective funder, and your feedback on the funding priorities and application process will be collected and considered.

### Funding streams from the Community Chest:

- **Micro grants** up to £1,000 – easily accessible grants for small organisations, for a variety of purposes such as buying new equipment, running costs, rent, etc. Applications can be submitted at any time. Closing dates for applications: **15<sup>th</sup> of each month up to 15<sup>th</sup> December 2016.**
- **Project grants** – one-off grants for revenue or capital costs, up to £25,000 – for new or ongoing projects that can demonstrate they are successful in meeting local needs. This can include funding for social enterprises. Applications will be reviewed three times a year. Minimum total project cost £10,000. Final closing date: **2<sup>nd</sup> December 2016.**
- **3YR** - Three Year Revenue funding. Twelve organisations have been awarded funding for 2014-17, averaging £13,000. This stream is fully allocated and no further applications will be considered.
- Organisations who have already received three or more grants (since 2007) from a particular funding stream will not be eligible to reapply to that funding stream.

**Application forms are not available on the website, but can be emailed to you by the Grants Officer.**

Microgrant forms may be completed on a computer, typed or clearly handwritten in black ink. Project applications must be completed using a computer.

If you would like an application form, please contact the Grants Officer, with your **email address**, **organisation name**, a brief **summary** of your project and the **amount** of funding needed. Application packs are sent out by email.

Please read the notes on the following pages, to help us make the application process run as smoothly as possible.

## 1. Who Can Apply?

Any voluntary or community organisation may apply provided that it:

- Provides local community activities or services *within* Aylesbury Vale, which are of benefit to *residents of* Aylesbury Vale - visitors to Aylesbury Vale may also benefit from the services/facilities, but not to the exclusion of local residents
- Contributes to at least one area of the Community Chest Grants Criteria
- Has a formal constitution or set of rules
- Has a bank account requiring at least 2 unrelated signatories for each payment, minimum 3 signatories total
- Operates with no undue restrictions on membership
- Has an exit strategy or demonstrates clearly what will occur at the end of the project
- Is a not-for-profit group (including social enterprises) or a parish or town council

### And either

- Has a volunteer **management committee** with a minimum of three unrelated members that meets on a regular basis (at least 3-4 times per year)

### Or

- Is a registered **Community Interest Company**, with a minimum of three directors and provides copies of their Community Interest Statement, details of the Asset Lock included in their Memorandum and Articles of Association, and a copy of their latest annual community interest report.

## 2. What Will We Fund?

Applicants should be able to explain the difference that will be made by their project, and which local priorities are met – these are described on pages 5-6 titled ‘Community Chest Grants Criteria’.

NB: While the application form for microgrants does not *specifically* ask the applicant to demonstrate how the project meets the grants criteria, this is assessed by the Grants Officer as part of the process to determine whether a grant will be awarded.

To be successful, you must be able to show the need for the project in the local community (identified through consultation with service users, community appraisals/needs assessments, parish plan, survey etc) and local involvement in planning and delivery.

## 3. We Will Not Fund:

- Activities promoting a particular religious or political belief
- Capital improvements to places of worship or buildings owned by religious bodies
- Capital projects within schools or hospitals
- Projects involving improvements to roads, highways or associated items
- Bus Shelters, War Memorials, Defibrillators
- Any project which is the statutory responsibility of or is led by a statutory body
- Projects outside the boundaries of Aylesbury Vale
- Individuals
- Organisations which aim to distribute a profit
- Organisations with no established management committee/board of trustees (unless a CIC)
- Fundraising events and activities – funding cannot be awarded for onward distribution
- Applications where the same purpose has already been funded twice by the Community Chest
- Organisations which have previously received three or more grants from the Community Chest
- Projects which are already completed - funding cannot be granted retrospectively
- Incomplete applications

**This list is not exhaustive, and applications may be considered ineligible or declined for other reasons**

#### 4.1 How to Apply:

**Request an application form from the Grants Officer.** You can then make an application by emailing a signed copy of the completed form and supporting documents to [srothwell@aylesburyvaledc.gov.uk](mailto:srothwell@aylesburyvaledc.gov.uk) or by posting your application to Aylesbury Vale Community Chest, The Gateway, Gatehouse Road, Aylesbury, Bucks HP19 8FF

If you submit your application by email and have not been able to add a signature, please print and send a signed hard copy to the above address together with any supporting paperwork.

Before you submit your application please ensure that the planned dates for the project allow enough time for the application to be processed before you start. Contact the Grants Officer if you are unsure.

**Please contact the Grants Officer if you need help to complete the form**

#### 4.2 When applying, please:

- Don't bind your application in a folder, ring or spiral binding or send additional documents which are not required – the application may need to be photocopied, and storage space is limited – a staple or paperclip is ok.
- Don't spend the money before funding is agreed
- Don't leave it too late – apply in plenty of time, especially for event funding

### 5. How will the application be assessed?

#### 5.1 Microgrants

Applications for microgrants are not considered by the Grants Panel. Instead, these are assessed by the Grants Officer, using a scoring system, making funding recommendations on a monthly basis, which are then sent for ratification by the Chief Executives of both the District Council and the Trust. From 2007 to December 2015, 95% of microgrant applications received were successful, 470 out of 493.

**Limitations:** only one microgrant application per organisation per financial year, no more than two for the same purpose/event. Organisations with annual income or expenditure in excess of £100,000 are unlikely to be awarded a microgrant. Organisations who have already received three or more microgrants since 2007 are not eligible to apply for another. These restrictions are to keep the fund remains accessible for new applicants.

Microgrants up to £1,000 are suitable for projects with a total cost from a minimum of £500 to around £20,000.

**Sustainability:** If you are applying for event funding, even if you don't charge for entry, do invite donations and/or collect income from activities such as a tuck shop, plant stall, business sponsorship or pitch fees to enable you to set aside funding for future events. See item 3 above.

**Community Involvement:** Please include the number of volunteers in question 22 and give details, eg number of hours per week and any other community participation in question 28 if not already covered elsewhere in your application.

**Closing date:** 15<sup>th</sup> of each month until December 2016, outcome notified within four weeks of the closing date.

#### 5.2 Project Grants

Your application will be considered by a Panel consisting of three elected councillors from AVDC and three representatives from the Trust.

In this competitive application process, the Panel will make the decision about whether or not to fund your project. Decisions will be based on a range of criteria which include:

- **The need for the project in the local community:** Demonstrate the extent to which you have consulted with your local community, have their support for the project, and that a need exists for it. Include the number of people who will directly benefit from the project.
- **The need for financial support from the Community Chest:** How vital is Community Chest funding to the success of the project? Will the project proceed without our involvement? If there appear to be other, more suitable ways in which the money can be raised, we are unlikely to award a grant. However, match funding from other sources including other grants, local fundraising or income generation activities will help to support your application. Include details of other applications made, even if these were unsuccessful.
- **Contributing to the Grants Criteria:** This is a key part of the decision making process - it is important to demonstrate clearly how your project outcomes will assist in the delivery of these aims (see p 5-6).

- **Evidence of self-help**

The Panel will look more favourably on organisations that can display evidence of other fundraising activity and volunteer involvement. This can include the provision of labour, skills, time, equipment and other in-kind support. Applications will be considered up to a maximum of 50% of the financial cost of a project.

- **Project viability:** Your application will be unsuccessful if you cannot show that it is well planned and that your group is capable of managing it successfully on an on-going basis (i.e. future maintenance of a capital item).

**Expectations:** The Panel meet three times a year to assess **project grant** applications. Each grant panel has been heavily over-subscribed. In 2016-17, 87.5% of project applications were successful, receiving on average 88.3% of the amount they applied for - the average grant was £14,637. There is no guarantee that you will receive the full amount applied for - you may be offered partial funding, or your application may be declined or deferred to a later panel, so please ensure your project timetable is included.

*'Working Together'* – Aylesbury Vale Community Chest

An annual networking and capacity-building event, to celebrate and share what has been achieved by local groups with the help of their Community Chest funding. All grant recipients are invited to send a representative.

For 2016-17 grants, this event will take place at the Gateway in Aylesbury, 17<sup>th</sup> March 2017

## 6. What happens next?

**Once a grant decision is taken, there are some important points to note:**

- **Award** - we will write to let you know whether or not funding has been agreed for your project.
- **Agreement** - if your application is successful, we will send you a funding agreement stating the conditions on which the grant is offered. Please read this carefully. Claim your grant by returning a signed copy of the agreement.
- **Payment** - Your grant needs to be claimed within three months of award and before the end of February 2017. Grants paid by bank transfer within two weeks of receipt of the signed agreement. If your project is delayed, please contact us to agree the best way to proceed.
- **Monitoring** - the Community Chest Grants Officer should be regularly informed of the progress of your project. A monitoring form will be sent to you with your funding agreement for microgrants, or six months after the grant is awarded for project grants. Documents supporting grant expenditure (such as copy invoices and photographs) and a copy of a newsletter or minutes which acknowledge the grant should be returned with the completed monitoring form.
- **Photographs** - even for equipment purchases and capital projects, please supply photos **including people**, as these help demonstrate the benefit to local people provided by your project, and may feature in our annual report.
  - Triathlon training equipment (above)
  - Portable floodlights (below)
- **Promotion** - your organisation should acknowledge that the project is funded by the **Aylesbury Vale Community Chest** in any relevant literature or publicity (eg press releases, your newsletter or annual report) and where appropriate, display a plaque (A4 size, provided by us).
- **Quality and Equality** - the Community Chest aims to ensure quality of service and equality of access through all activities. Organisations receiving grants are expected to reflect these standards.
- **Purpose** - the purpose for which a grant has been awarded cannot be changed without prior approval from the Community Chest Grants Panel, contact via the Grants Officer.



Mrs Sarah Rothwell, Community Chest Grants Officer

The Gateway Gatehouse Road, Aylesbury HP19 8FF

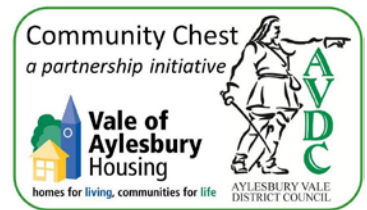
☎ 01296 585634

srothwell@aylesburyvaledc.gov.uk

www.aylesburyvaledc.gov.uk/communitychest

www.vaht.co.uk

# Community Chest Grants Criteria



The Community Chest, a partnership fund between Aylesbury Vale District Council and the Vale of Aylesbury Housing Trust, is open to applications from all areas of the voluntary and community sector, delivering projects and services in Aylesbury Vale which aim to improve the quality of life for all our residents. Applications supported by evidence of local need will always be considered.

The Community Chest criteria are based upon the *Sustainable Community Strategy for Aylesbury Vale*, published in October 2009. The strategy was developed by Aylesbury Vale Local Strategic Partnership, outlining an ambitious vision for the Vale in 2026, with key priorities to be addressed in order to achieve that vision. If you wish to read the Strategy in greater detail, you can download the document from the AVDC website, or ask the Grants Officer to email a copy to you.

The five themes in the Sustainable Community Strategy have been adopted by the Community Chest because the vision for the Vale can only be effectively delivered with the support and active involvement of local residents.

## 1. Cohesive and Strong Communities

We have a strong voluntary and community sector which provides a range of leisure and support services. There are many ways for residents to get involved in their local community, as part of a club, community group, neighbourhood action group, parish or town council.

Projects that contribute to these aims will be supported:

- A Encourage local community participation and volunteering
- B Increase the confidence of local communities, supporting them to identify local solutions to local problems
- C Help all communities get on well together
  - Improve community cohesion, particularly between new and existing communities
  - Provide support for community participation and engagement
  - Provide facilities in new and existing communities, especially for young people
- D Reduce levels of disadvantage, including social and geographical isolation

## 2. Safer Communities

Our district is generally a low crime area. However, the fear of crime is a consistent concern for residents and we aim to improve security and safety, and reduce the fear of crime. We will consider funding projects which improve the safety of local people, particularly where these help to safeguard vulnerable adults and young people, and that:

- A help to reduce levels of crime and the fear of crime - community clean-ups, projects that help to improve security and safety in local areas, contribute to a reduction in anti-social behaviour, or provide diversionary activities.
- B help reduce the harm caused by alcohol or drug misuse
- C raise awareness of road safety or safer driving
- D raise awareness of fire safety, particularly in vulnerable households



### 3. Thriving Economy

Our priorities in this area include projects that:

- A support families and vulnerable people
- B develop workforce skills and improve employability
- C bring additional funding into Aylesbury Vale from external sources

We particularly welcome applications from projects aimed at those areas of the district that show higher levels of unemployment, or which help to overcome the economic difficulties associated with rural isolation.

### 4. Sustainable Environment

We will support projects which:

- A enhance and protect the local environment, improve green spaces in towns and villages, enhance biodiversity or reduce littering.
- B tackle climate change through reducing carbon emissions and implementing sustainable energy solutions.
- C reduce waste, reuse resources, increase recycling or recover energy

### 5. Health and Wellbeing

There are inequalities in health, particularly affecting vulnerable groups and low income households. Projects which promote health and help to reduce these inequalities will be considered under the following headings:

- A Help residents live healthier, longer and happier lives
  - encourage participation in cultural and sporting activities
  - reduce smoking and obesity, encourage healthy eating
  - help people to reduce or manage stress and promote mental health
- B Reduce health inequalities through
  - supporting families with budgeting advice
  - targeting particular groups at risk of heart disease, stroke, diabetes
  - reducing homelessness
- C Improve the quality of life for
  - our ageing population – provide activities, support and reduce isolation
  - children and young people - provide positive activities, encourage achievement
- D Connected Communities – improve access to services and rural transport

Sarah Rothwell, ☎ 01296 585634 (Mon/Weds/Fri) email [srothwell@aylesburyvaledc.gov.uk](mailto:srothwell@aylesburyvaledc.gov.uk)

Aylesbury Vale Community Chest

Communities Team

The Gateway

Gatehouse Road

AYLESBURY

HP19 8FF

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[www.vaht.co.uk](http://www.vaht.co.uk)

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Cabinet  
6 September 2016

**ACCEPTANCE OF THE GOVERNMENT'S 4 YEAR GRANT SETTLEMENT OFFER**  
**Councillor Mordue**  
**Cabinet Member for Finance, Resources and Compliance**

**1. SUMMARY**

- 1.1 As part of the December 2015 Spending Review, the Secretary of State for Communities and Local Government made an offer to councils to take up a four-year funding settlement for the period 2016/17 to 2019/20. To accept this offer, an Efficiency Plan must be prepared and published by 14th October 2016. The Secretary of State has not issued guidance on what an efficiency plan should contain, a development that local government broadly welcomes.
- 1.2 This report proposes that the offer is accepted as it will create some certainty over a significant part of the Council's future resources and allow the Council to create Medium Term Financial Planning Targets with greater certainty over the amount required to balance the budget.

**2. RECOMMENDATIONS**

- 2.1 That Cabinet agrees to recommend to Council:

Acceptance of the Government's 4 year funding offer and submission of a link to the attached Appendix A & B as its Efficiency Plan and supporting evidence in order to satisfy the conditions of acceptance of the four year funding settlement for the period 2016/17 to 2019/20.

**3. PROPOSALS**

- 3.1 The offer made by the Government, as part of the Spending Review, is to any council that wished to take up a four year funding settlement up to 2019/20. The purpose of this offer is to help local authorities prepare for the move to a more self-sufficient resource base by 2020. The multi-year settlements is intended to provide funding certainty and stability for the sector that should enable more proactive planning of service delivery and support strategic collaboration with local partners. The Government expects these multi-year settlements to be used to "strengthen financial management and efficiency, including maximising value in arrangements with suppliers and making strategic use of reserves in the interests of residents".
- 3.2 The Medium Term Financial Strategy agreed by Council in February 2016 incorporates the funding provided within the four year settlement offer. However, it relates only to Revenue Support grant (RSG) which is a reducing proportion of total Council funding, currently £1.569m in 2016/17 decreasing to a negative figure (payment to the Government) of £0.687m in 2019/20. If this offer is accepted, it provides greater certainty as the funding received will not be less than outlined in the final settlement and would not be subject to the yearly process determining the local government finance settlement.
- 3.3 The Grant Settlement number has always been a volatile and difficult to predict element of budget planning and the certainty provided by a 4 year settlement will allow the Council to plan with greater certainty in the later

years of the MTFP period. The following table sets out the Settlement Funding Assessment (SFA) per year including RSG:

	2016-17 £M	2017-18 £M	2018-19 £M	2019-20* £M
Settlement Funding Assessment	5.21	4.30	3.83	3.26
of which:				
Revenue Support Grant	1.57	0.58	0	0
Baseline Funding Level	3.65	3.72	3.83	3.95
Tariff/Top-Up	-16.16	-16.47	-16.96	-17.50
Tariff/Top-Up adjustment				-0.69

3.4 The offer made by the Government is as follows:

“On 9 February we provided summaries and breakdown figures for each year to your s151 Officer. From those figures the relevant lines that are included in the multi-year settlement offer, where appropriate, are:

- Revenue Support Grant;
- Transitional Grant; and
- Rural Services Delivery Grant allocations.

In addition, tariffs and top-ups in 2017-18, 2018-19 and 2019-20 will not be altered for reasons related to the relative needs of local authorities, and in the final year may be subject to the implementation of 100% business rates retention. The Government is committed to local government retaining 100% of its business rate revenues by the end of this Parliament. This will give them control over an additional £13 billion of tax that they collect. To ensure that the reforms are fiscally neutral local government will need to take on extra responsibilities and functions. DCLG and the Local Government Association will soon be publishing a series of discussion papers which will inform this and other areas of the reform debate. The new burdens doctrine operates outside the settlement, so accepting this offer will not impact on any new burden payments agreed over the course of the four years. The Government will also need to take account of future events such as the transfer of functions to local government, transfers of responsibility for functions between local authorities, mergers between authorities and any other unforeseen events. However, barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement, the Government expects these to be the amounts presented to Parliament each year”.

3.5 No guidance has been issued from Government for the production of these Efficiency plans but it must cover the full 4 year period and be open and transparent about the benefits this will bring to both the council and the community. Further the Government does not expect this to be a significant burden on councils but rather a drawing together of existing corporate plans and strategies, and this has been the approach adopted to produce this Efficiency Plan.

3.6 At the time the Council set its budget in February 2016, the detail of what the Plan should contain, nor the process for accepting the offer were known and although Council delegated authority to the Director with responsibility for Finance, in consultation with the Cabinet member for Finance, Resources and

Compliance, it requested that it should like to make the decision on acceptance if time permitted.

- 3.7 Ultimately, the process and the requirement for acceptance proved to be light touch and although no special report or strategy is required this report is presented to Cabinet to recommend acceptance to Council in accordance with Council's request.
- 3.8 The Council has already agreed the basis of its efficiency statement as part of its strategy for balancing the budget within its Medium Term Financial Plan. This is an integral part of the Budget adoption process in February 2016 and the budget report approved by Council is reproduced as Appendix A to this report for members' information. In accepting the Government's offer the Secretary of State will be directed to this statement as demonstration of compliance with the terms of acceptance.
- 3.9 The Council has a proven track record of being innovative and creative in terms of its approach to identifying solutions to the budget gap created by the ongoing reductions in Government Grant. Evidence of this can be further found in the form of the two conferences which the Council has recently held for its peers to showcase the income generation and efficiency solutions it has developed. A document has been attached as Appendix B to this report highlighting some of the more innovative achievements identified thus far.

#### **4. OPTIONS & ALTERNATIVES CONSIDERED**

- 4.1 If the offer to take up the four year funding settlement for the period 2016/17 to 2019/20 is accepted, an Efficiency Plan must be prepared and published by 14th October 2016. This offer relates to the RSG funding incorporated within the MTFS for the 4 year period 2016/17 to 2019/20 and ensures that it will remain uncharged "barring exceptional circumstances and subject to the normal statutory consultation process for the local government finance settlement.
- 4.2 If the four year offer is not accepted the RSG funding would be subject to the existing yearly process for determining the local government finance settlement. Allocations could be subject to additional reductions dependent on the fiscal climate and the need to make further savings to reduce the deficit.
- 4.3 Submitting the Efficiency Plan will mean that the Council will be seeking a 4 year settlement. This is, as is set out in the report, likely to be more favourable in terms of the Council's settlement going forward and gives a greater certainty on its budget setting. As it has a relationship to the Council's budget setting for the next 4 years it is recommended that Full Council's endorsement is sought.

## BUDGET 2016/17 AND THE MEDIUM TERM FINANCIAL PLAN

Councillor Mordue

Cabinet Member for Finance, Resources and Compliance

### 1 Purpose

This report covers two areas of budget determination for 2016-17. It presents the proposals for the budget, as recommended by Cabinet on 11 January 2016. It also contains the Chief Financial Officer's report on the robustness of the budget proposals and the adequacy of reserves.

### 2 Recommendations/for decision

Council is recommended to:

Note the contents of the statement of the Chief Financial Officer in Appendix A.

#### 2.1 Agree a budget package which:

- a. Increases Council Tax by the maximum 1.99% permissible by the lower tier councils.
- b. Includes a General Fund budget that results in net expenditure of £15,076,900 and a District precept of £9,652,300.
- c. In arriving at that figure, requires a planned use of revenue working balances in 2016-17 equal to £90,900, potentially adjusted by the Final Grant numbers expected to be announced Mid February 2016.
- d. Has an expenditure total of £846,600 and a precept of £815,500 in respect of Aylesbury Special Expenses giving an unchanged band D Special Expense Council Tax of £45.00 for 2016-17.
- e. The proposed General Fund net expenditure for each of the following years as the basis of future budget planning is as follows:  

2017-18	£14,452,800	2018-19	£14,261,600	2019-20	£14,021,800
2020-21	£13,791,200				
- f. Delegates authority to the Director with responsibility for Finance, in consultation with the Cabinet Member for Finance, Resources and Compliance, to approve a budgetary framework and allocations from a sum of £600,000, which is to be ringfenced from General Working Balances to fund the AVDC change programme.
- g. Should the timeframe require it, delegate authority to the Director with responsibility for Finance, in consultation with the Cabinet Member for Finance, Resources and Compliance, to decide whether to accept the Government's 4 year offer in respect of certainty over Grant numbers.

### 3 Background

3.1 The report to Cabinet on 10 December 2015 presented a set of initial budget proposals for Cabinet's consideration.

3.2 On the 11 January 2016, Cabinet reconsidered its initial budget proposals in light of the provisional Government Grant Settlement and the comments made by the Finance and Services Scrutiny Committee. Based upon this additional information it made minor amendments consistent with the approach proposed in its initial report.

#### **4 The Cabinet's Budget Recommendation**

- 4.1 Cabinet considered the development of the budget at 3 separate meetings in November, December and January. The latter meeting being informed by the views of Finance and Service Scrutiny Committee.
- 4.2 The budget process was again a contracted process and was similar to that adopted in the previous two years. This was necessary in order to adapt to the uncertainty resulting from the Government's late announcement of grant allocations.
- 4.3 This shortened process was enabled by the on-going work being undertaken by officers and members to deliver savings via fundamental service reviews, new income generation and other transformational work.
- 4.4 The Budget proposal and Medium Term Financial Plan is attached as Appendix B to this report and is explained in more detail in the following paragraphs.
- 4.5 The main theme of budget development was the uncertainty surrounding the Government's proposed reforms to the local government finance system and the implications for the Council arising from them.
- 4.6 The expected late publication of the proposed Grant numbers severely reduced the Council's ability to plan for any changes beyond that assumed within the initial projections. This resulted in the Council relying on a small use of balances as the only realistic way of reacting to the numbers in the short window between their announcement and the date for publishing these final proposals.
- 4.7 The budget development process recognised this, together with the uncertainties surrounding retained Business Rates and potential changes to the funding received from the New Homes Bonus.

#### **5 Spending Review and the Proposed Government Grant Allocations**

- 5.1 The Chancellor announced his Spending Review on 25<sup>th</sup> November 2015. This set out the Government's funding intentions for the life of the Parliament. On the whole, the news for local government was probably less bad than had been feared, but the messages were confused and the detail was largely missing so the true extent of the impact could only be determined once the Government published its consultation on Grant numbers later in December.
- 5.2 Despite this, it could be determined that Local Government would still experience some of the greatest cuts of any of the Government's main spending departments.
- 5.3 From the perspective of a lower tier council, there was also the announcement that the Government intended to redistribute within the tiers of local government in order to direct resources towards Adult Social Care. This has the impact of significantly compounding the cuts to district councils and is potentially of greater concern than the expected reduction in core funding.
- 5.4 The Government also proposed an apprenticeship levy equal to 0.5% of the wage bill of all organisations where wage bills are in excess of £3 million. This is to be

offset by an allowance of £15,000 for each apprentice on the organisation's books. This will be introduced from April 2017.

- 5.5 The Chancellor further announced that he would extend Small Business Rate Relief from the 31<sup>st</sup> March 2016 for a further year but signalled the end to some of the additional retail reliefs introduced during last year's budget.

## **6 Government Grant**

- 6.1 The Government announced the Grant settlement for councils on the 17<sup>th</sup> December 2015.
- 6.2 The headline figures indicate that the Authority's pessimism was warranted as grant was reduced in line with expectations. The allocation for 2016/17 was fractionally more, (£18,700), than had been assumed within the initial budget planning proposals. The final number is therefore a reduction for 2016/17 in excess of £1.1 million, representing a loss of 17.5% of the Council's core grant.
- 6.3 The size of the difference between estimated and actual allocations belies a significant shift in the way Government intends to calculate future Grant entitlement. The Government proposes to take into consideration the whole of a council's core income (this includes Grant, Business Rates and Council Tax) when applying future cuts, rather than salami-slicing RSG as has happened in previous years.
- 6.4 The Government's aim is to ensure that all councils see an equally proportionate reduction in their resources each year as opposed to councils which have the greatest reliance on Grant being impacted to the greatest extent. This should represent good news for those councils with a greater grant-reliance.
- 6.5 Unexpectedly, the Government also offered, to those councils that want them, settlement numbers through to 2019/20 (4 years in total). In order to qualify, the Government is indicating that it requires councils to produce and publish an efficiency plan.
- 6.6 The mechanism for accepting the offer has not been made clear within the consultation paper, but it may require a formal resolution of Council.
- 6.7 Similarly, the consequences of not accepting the offer are also unclear, but it is assumed that this leaves the Council open to the vagaries of the annual grant allocation process. The Secretary of State has indicated during interviews that for authorities which chose not to accept the Government's offer there is only the possibility of less Grant.
- 6.8 At face value, the certainty provided by a 4 year settlement will be useful in financial planning terms. The detail around the content and the method for accepting the offer is expected, together with the results on the consultation over the Provisional Grant numbers, around mid February.
- 6.9 As the expected announcement of the conditions and requirements sits beyond the date of this meeting and may only include a short window of opportunity for accepting the offer it is recommended that, (providing there are no onerous conditions attached), authority is given to the Director responsible for Finance in



consultation with the Cabinet member for Finance, Resources and Compliance to reply on the Authority's behalf.

- 6.10 The numbers for Aylesbury Vale still show large reductions year on year, but are not as severe as had been feared and have the impact of reducing the savings required across the remainder of the Financial Plan.
- 6.11 As a consequence, the savings which still need to be identified over the life of the Medium Term Financial Plan are now just under £5 million instead of just over £7 million.
- 6.12 The numbers continue to show AVDC losing Revenue Support Grant at much the same rate as predicted until 2018/19 where the Council effectively becomes Grant free. At that point it will only have Retained Business Rates, which the Government considers to be local resources.
- 6.13 In recent years the Council's financial planning has been constructed on the basis that the Government would not leave alone those councils who exited grant. It further anticipated that it would still apply reductions to those councils which no longer received grant, so as to spread the impact evenly. Consistent with this prediction, the Consultation included the following statement.
- "It follows that some councils with less Revenue Support Grant in later years, will need to contribute funding from the other elements of their settlement core funding in order to meet the overall reductions to local government funding set in the Spending Review."*
- 6.14 Simplified, this means that even after Aylesbury Vale exits the Grant regime it will still be required to contribute from local resources (Business Rates or Council Tax) towards the national savings target. In essence, the Government is introducing a negative grant element.
- 6.15 The numbers indicate that Aylesbury Vale will start to pay a Tariff Adjustment (Negative Grant) in 2018/19, initially at a very low level, but it will increase progressively thereafter.
- 6.16 The announcement also included the rolling in of existing, separate grant streams, notably for Aylesbury Vale this includes the 2015 Council Tax Freeze Grant. This was equal to £82,100 and will need to be accounted for in the final budget proposals.
- 6.17 Overall, the Grant numbers for 2016/17 varied by much less than had been feared, given the considerable uncertainty over how the Government would choose to introduce its policy initiatives. The final variation was sufficiently close to that used in the initial planning proposals to have no significant impact on the budget planning process and the resultant variance, together with other minor adjustments to the final numbers, are recommended to be accommodated through a small use of balances (£90,900) in the 2016/17 budget plan.
- 6.18 This Use of Balances will be added to the savings target in 2017/18, which has also now improved as a consequence of the Grant settlement numbers for that year being marginally higher than expected.
- 6.19 The table below sets out an analysis of the Grants settlement, comparing the proposed numbers with those from last year.

	<b>Actual 2015/16 £</b>	<b>Actual 2016/17 £</b>	<b>Change £</b>	<b>%</b>
Core Grant (RSG + NNDR)	6,320,400	5,214,600	1,105,800	
Council Tax Freeze Grant	82,100	0	82,100	
<b>Total Grant</b>	<b>6,402,500</b>	<b>5,214,600</b>	<b>-1,187,900</b>	<b>-18.6%</b>

6.20 By way of comparison, the reduction in Government Grant recognised in last year's budget was £1,195,712. Any straight comparison with 2010/11 (when the reductions in grant support began) remains difficult because of changes to various grant streams, in particular Council Tax Benefit funding. However, using the best like for like comparison, the reduction in Government Grant over this timeframe is now £7.8 million or 60%.

## **7 New Homes Bonus**

7.1 As part of the Grant settlement, the Government announcement that New Homes Bonus would be paid in 2016/17. It also proposed that the basis for distribution remains unchanged in 2016/17, but a consultation document was issued alongside the settlement proposing changes thereafter.

7.2 The Chancellor signalled his intention to review the operation and distribution of New Homes Bonus within the Spending Review and so the confirmation of the award in 2016/17 was welcome news.

7.3 This allows the Council to continue to fund its Waterside North development in the manner proposed within the recently approved Capital Programme.

7.4 Aylesbury Vale District Council will receive £8,281,102 in 2016/17.

7.5 The consultation paper proposes both a reduction in the benefit, by reducing the time that it is payable, and a sharpening of the scheme's focus. Notably, it seeks views on;

- Limiting the benefit from 6 to 4, or even 2 years
- Reducing or removing the bonus on developments initially rejected by councils
- Reducing or removing the bonus from those councils without a local plan
- Setting an element of targeted growth
- Transitional protection for those councils impacted by the greatest amounts

7.6 The Government's intention is to reduce the amount of Bonus payable and so, as the district receiving the greatest bonus, many of the proposals will have a proportionately greater impact on this council. Modelling of allocations into future years see the awards to this Council drop away significantly from current levels.

7.7 The Cabinet's proposals advocate not increasing the contribution from New Homes Bonus into the revenue budget, given the uncertainty surrounding its future. Whilst the award has now been confirmed for 2016/17 increasing revenue dependency on the Bonus would be imprudent at this time.

7.8 With the uncertainty hanging over future rewards under the New Homes Bonus scheme the Council may need to review the ongoing policy in relation to how it

uses the amounts it receives, e.g. should it continue to take the same amounts into revenue and should it allocate the same proportion to parishes. However, this cannot reasonably be done until the Government publishes its final consultation response.

- 7.9 The Government is seeking responses to the consultation by 10<sup>th</sup> March.
- 7.10 This Council's reward is based upon the delivery of 6,284 new dwellings over the past 6 years together with 189 long term empty properties being brought back into use.
- 7.11 It is recommended that Council commits to a continuation of the Parish scheme in 2016/17 but that it is clearly messaged that the amount allocated to the scheme in future is in doubt pending the Government's review of NHB.

## **8 Measure of Spending Power**

- 8.1 Alongside the Grant Settlement, the Government published its Spending Power measure. This shows Aylesbury Vale's position as having increased from £22.7 million to £24.1 million, an increase of 6%.
- 8.2 Crucially, the calculation of this number includes allocations of New Homes Bonus and, as set out in the previous section of this report, £8.28 million of the £24.1 million represents this Council's NHB award.
- 8.3 Aylesbury Vale District Council has gained under the New Homes Bonus scheme by virtue of the large amounts of housing growth witnessed in the Vale, (the largest growth of any district since NHB began). The increase in the Bonus derived from housing growth is, therefore, greater than the loss of core grant. As a consequence, it shows Aylesbury Vale as still having a net increase in resources.
- 8.4 However, for the Council to be better off as indicated by the Spending Power measure, all of the New Homes Bonus money would need to be put into the revenue budget and not just the proportion set out within the New Homes Bonus Policy agreed by Council.
- 8.5 The Council has consistently maintained that this would make it increasingly dependant on New Homes Bonus for the provision of core services (something which it foresaw as a high risk strategy), but it would also mean that the Council would be unable to deliver much of the infrastructure investment associated with housing growth.
- 8.6 The proposed changes to the scheme contained with the consultation document vindicate the Council's caution in terms of using the Bonus in the revenue budget.
- 8.7 If New Homes Bonus is removed from the equation, the impact for Aylesbury Vale is reversed. This then shows the Council as losing 3.7% of its Spending Power in 2016/17 (comparatively 6.2% in 2015/16).

## **9 Retained Business Rates**

- 9.1 The report to Cabinet in November explained in more detail the background to this funding stream, the difficulties in accurately predicting business rate growth and, more importantly, potential reductions through appeals.

- 9.2 For budget planning purposes a cautious extrapolation of current changes has been projected forward to arrive at a starting position for 2016/17. This reflects some uplift through the annual RPI adjustment (0.8%) in the Business Rates Multiplier (as determined by Central Government) and assumes that Growth will exceed Appeals during the next year.
- 9.3 Whilst some growth is suggested by the planning work, its extent is uncertain and so it is considered imprudent to set a budget which significantly relies on this in 2016/17.
- 9.4 The Government has announced a significant review of Business Rates Retention, commencing early 2016, which will set out the expected future for the scheme, including its intention to divert more of the gain from this system to authorities with responsibility for Adult Social Care.
- 9.5 In light of these concerns, it is proposed that any gain (outside of that generated through Pooling, discussed later in this report) or loss achieved in the year will be managed through the Business Rate Equalisation Reserve in 2016/17.
- 9.6 If at that point any growth is considered to be sustainable and the longer term position in relation to the retention of gains is clarified, then it will be captured in the budget beyond 2016/17.

## **10 Business Rates Pooling**

- 10.1 It was reported to Cabinet in December that an application had been submitted to create a Business Rates Pool naming Bucks County Council, South Bucks District Council, Chiltern District Council, Aylesbury Vale District Council and Bucks Fire and Rescue even though the Government had not invited any applications.
- 10.2 This Pooling composition being selected on the basis of those districts where it was felt the maximum gain could be generated in 2016/17.
- 10.3 Given that the Government had not invited applications, the designation came as something of a surprise and the officers of the respective councils are now meeting regularly to review and validate key assumptions.
- 10.4 Whilst in previous years the Council was named in applications but subsequently withdrew over concerns as to the potential level of appeals, this year those councils named have agreed to proceed with the Pooling proposal.

## **11 Fees and Charges**

- 11.1 In line with the precedent created last year the review of Fees and Charges was consolidated into a single list for consideration by Cabinet in December.
- 11.2 There were no substantive comments received from Finance and Services Scrutiny on the proposed charges and so the proposals were agreed by Cabinet at its January meeting.

## **12 Savings and Income Identification Options**

- 12.1 The report to Cabinet in November adopted an approach to formulating its budget proposals similar to that followed in recent years and relied primarily on capitalising on the savings delivered via reorganisation, income generation and restructuring during 2015/16 in anticipation of the Government Grant reductions.
- 12.2 Since the prospect of greatly reduced Government Grant was first mooted in 2010/11 the Council has devoted considerable effort and resources to identifying and delivering a smaller net budget requirement. This has been achieved by fundamentally reconsidering what it does. This work has been badged as New Business Model and members of the Council will be familiar with the term.
- 12.3 The work undertaken over the past 12 months in recognition of the forecast financial pressures has delivered significant savings and many of these are already accruing in the current financial year, thereby contributing in part to the current forecast underspend for 2015/16. This work was carried out with the expectation that these transformational and efficiency measures would replace the need for a crude annual cuts exercise. This planned response to budget reductions represents a cornerstone of the budget development process.
- 12.4 In addition to the major transformation exercises a number of other savings have been generated as a result of service managers reviewing budgets for efficiencies and income derived from major projects, such as the University Campus Aylesbury Vale.
- 12.5 A list of the significant savings to be incorporated into budget planning is set out in Appendix D to this report.
- 12.6 These savings total £2.83 million in 2016/17.

## **13 Budget Pressures**

- 13.1 Cabinet considered the forecast budgetary pressure facing the Council in December and has made provision for those it considered to be unavoidable in the budget proposals recommended here. The sums to be included are set out within Appendix E to this report.
- 13.2 The total service based pressures within the budget proposals sum to £2,227,000, of which (£559,000) represents a general provision for inflation and pay.
- 13.3 At this time, agreement has yet to be reached on Pay, but it is hoped that a paper will be brought to Council at the end of February 2016 with a recommendation that can be accommodated within the sum provided.

## **14 Investments / Net Borrowing**

- 14.1 Council has been using its cash balances over the past few years in lieu of long term borrowing. This delivers an advantage over lending returns whilst base rates remain low. The financial advantage in terms of lower borrowing costs has been factored into the initial budget proposal.
- 14.2 As identified last year, the on-going low Bank Base Rate is creating financial pressure. Since 2010 the shortfall in investment earnings, which has arisen from

the record low base rate, have been smoothed via the use of the Interest Rate Equalisation Reserve. This Reserve was created from excess interest earnings in times when the Base Rate was considerably higher than its present level.

- 14.3 This Reserve has been used effectively over the past few years to smooth the budget pressure created by the lower interest rates in the realistic expectation that rates would recover.
- 14.4 Whilst Rates are now forecast to potentially start increasing, this will be gradual and the timeframe is expected to be lengthy.
- 14.5 Therefore, any further ongoing use of the Reserve is unsustainable and, as previously identified, the Council's reliance on the Interest Equalisation Reserve will need to be curtailed.
- 14.6 Consequently, a reduction has been factored in to the Medium Term Financial Plan, bringing the recognition of investment income down to what is considered to be a sustainable ongoing level. Last year, as part of that budget planning exercise, it was proposed that a zero use of the Reserve should be achieved by 2017/18.
- 14.7 After reviewing the Balance on this particular Reserve it is deemed that the move to zero usage could be pushed out a further year and that no further reduction is required in 2016/17, but that reductions should instead take place in 2017/18 and 2018/19.

## **15 Aylesbury Vale Estates**

- 15.1 A revised business plan has yet to be agreed by the Board of AVE. This has primarily been to allow the revised Board membership on the AVDC side to understand the business pressures facing the vehicle and to seek proposals for improving the financial performance to a position more in line with the original expectations.
- 15.2 A business plan is being developed and it is expected that this will be presented to both Cabinet and Scrutiny early in 2016.
- 15.3 Dividend payments are forecast within the developing version of the AVE Business Plan for 2016/17 and in keeping with the realistic expectation that these will be delivered they have been reflected within the budget proposal presented here.

## **16 Reserves**

- 16.1 Earmarked reserves represent the prudent saving of sums against the recognition of future financial events which, if not prepared for, would be difficult to deal with at the point they occur. In short, earmarked reserves are an essential part of sound financial planning.
- 16.2 The Cabinet member for Finance, Resources and Compliance has undertaken a high level review of the adequacy the Council's Reserves and Provisions.
- 16.3 With the national focus on the reduction in resources and continuing media interest, it is unfortunate that the Council's earmarked reserves position has shown a considerable jump as this belies the reality of the situation the Council is facing.

- 16.4 The principal explanation behind the increase is the sizeable amounts of New Homes Bonus being received by the Council on the back of the significant housing growth in the Vale and the difficulty in delivering infrastructure schemes in a short timeframe. The consequence of this is the ring fencing of these sums in Reserves pending the delivery of the schemes.
- 16.5 If these sums are excluded then the findings of the review show that whilst the overall level of the Council's reserves have remained broadly constant, there was a significant use of reserves in 2014/15 which was largely offset by the extra provision for the local plan development process and the defence of planning decisions against appeals.
- 16.6 The vast majority of reserves held are for legitimate reasons and that the balances are reasonable given a fair assessment of the budgetary pressures that they are held against.
- 16.7 The total balance held in reserves is expected to dip significantly over the next 2 years as the pressures against which they are held materialise and the infrastructure schemes, for which New Homes Bonus is held, are delivered.
- 16.8 Where the revenue budget is dependent upon the use of funding from reserves, reliance is being reduced to the point where the budget is deemed to be sustainable.

## **17 Balances**

- 17.1 The Council holds general working balances as insurance against unexpected financial events. This includes failure to generate expected income as well as financial claims against the Council.
- 17.2 The current minimum assessed level of balances is £2.5 million, which has been arrived at based upon a risk and probability assessment of potential budgetary factors during 2016/17.
- 17.3 This remains unchanged on the previous year and is a reflection of the uncertainty surrounding the impact of the Government's changes to the Grant system and the impacts of Business Rates plus the financial concerns over the size of the change agenda in response to this uncertainty.
- 17.4 The Government has recognised that part of the reason councils have held high levels of working balances was because of the uncertainties surrounding the size and level of Grant reductions they might expect. Part of the Government's objective in announcing the potential of a 4 year settlement deal is to address these concerns, thereby removing the uncertainty and allowing councils to hold lower levels of balances in future.
- 17.5 Uncertainty over Grant numbers is one of the factors justifying the current assessed minimum level of required working balances, but is far from the only justification.
- 17.6 However, if confirmed by the Government, the certainty is welcomed and would potentially allow for the partial reduction in the current target level of balances.

- 17.7 The September Quarterly Digest projected savings against budget for the year in excess of £1,000,000. Some of this represents “one off” additional income such as that relating to property income, but a significant element is attributed to work undertaken by officers and Portfolio holders to deliver savings targets.
- 17.8 With the cost of developing the VALP and defending hostile planning applications being of particular concern at the moment, it is considered prudent to set aside excess Planning income from 2015/16 in a specific reserve held for this purpose. A review will take place at the year end to see how much funding is likely to be required and how much could be set aside for that purpose.
- 17.9 Current projections indicate that working balances might end 2015/16 at around £4 million after appropriations for specific projects. This is significantly above the assessed minimum level.
- 17.10 The holding of excess balances presents the Council with opportunities to offset the upfront costs of change initiatives that will payback and deliver ongoing savings in later years.
- 17.11 One such example was the funding last year of the Website and E-Commerce project (Right Here, Right Now) leading to the recent website relaunch and the forthcoming automation of many of the Council’s existing processes. It is expected that this will deliver considerable efficiencies in the organisation through allowing customers to self serve and these efficiencies will contribute towards balancing the budgets in future years.
- 17.12 However, this project represents only a fraction of the wider organisational change required in order to ensure the Council is sustainable in the future, against a backdrop of falling funding.

## **18 Sustainable AVDC**

- 18.1 To address the wider challenge a fundamentally different approach to service delivery is required and the outline of this was presented to Cabinet in November.
- 18.2 This is a universal change to the whole management of the council, the most significant since the inception of the council in 1974. Moving from a silo organisation to an enterprise organisation is a fundamental change, and requires careful but significant investment
- 18.3 However the rewards are a sustainable organisation which without the investment and the transformation would fail at some point in the very near future. That is fail to deliver services that local people expect, rely on and value. It is not being over dramatic to state this and it is possible to point to recent examples of councils which have failed to do this and as a consequence are under severe financial pressure and in imminent danger of collapse.
- 18.4 The early recognition of the need to reform and then backing this up with on-going investment in the process of reform are the key elements of the organisation’s success thus far in dealing with the financial imperative.
- 18.5 As we are no more than halfway towards the final expected position, it is essential that the organisation continues to adequately invest in resolving this challenge in



order that there is a continual delivery of future savings so as to protect service delivery.

- 18.6 This proposed sustainability programme is built upon the founding elements of the NBM programme, and applies this to the entire organisation. In short its aim is to:
- React to the increasingly challenging financial position of the council
  - Deliver automated and more cost efficient forms of service delivery including self serve, aligning us with most of the other service providers that our residents use in their day to day life
  - Create greater value and income from more commercial operations to cross subsidise those areas of the council which can not cover their own costs
  - Focus on the customer at the heart of everything we do
- 18.7 In achieving these aims there are a number of changes to the way in which we are organised, and how our staff work. In summary:
- Overall a need for a much more commercial approach and understanding of our business
  - Remove the silo arrangement of staff, moving them into a more generic approach to fulfilling customers demands (without losing specialism where these are needed to meet customer demands)
  - Detach management responsibility from professional expertise – recognising that good management does not always come with specific technical expertise
  - Become more flexible in the way we work, and the way we serve customers, enable staff, process and structure to react to new demands from our communities
  - Wider spans of responsibility for managers, and a more corporate as opposed to departmental orientation
- 18.8 In the simplest form, AVDC need to be:
- Orientated around the customer, fulfilling their demands – delivering what customers want
  - Speedy in response to customer demands, similar to commercial organisations – when customers want it
  - Within a cost effective delivery model – at a cost customers will pay
- 18.9 To kick start and enable this change, the entire structural model of AVDC will be changing. This is in recognition of the above context and sets AVDC on a new footing to deal with the future challenges ahead. Conceptually, the new AVDC will do away with the historical departmental structure and to replace it will be a five part, more flexible and universal structure.
- 18.10 This will then enable a full business review of all current activities with a view to understanding and maximising income opportunities and rationalising the organisation of resources in the most efficient way so as to deliver the right products at the lowest cost.
- 18.11 To deliver change on this scale requires considerable resources on an invest to save basis, with core objective of delivering an organisation at the end of which is able to function, survive and even thrive within the funding resources available to it at that point in time.

- 18.12 To do this properly requires the secondment of a number of key individuals from within the organisation in order to work solely on the restructuring and review of processes. Until such time as their work delivers benefits, these individuals will require backfill and project management direction and support.
- 18.13 To achieve this, whilst ensuring the continued delivery of core services to residents, it will require the Council to invest and resource the exercise properly and so it is proposed that £600,000 of the Council's General Fund working balance is ring fenced for this specific purpose.
- 18.14 As the project is in the early stages of development a detailed budget requirement cannot reasonably be presented and so to ensure that the proper governance and accountability is maintained for the allocation of this funding it is recommended that the authority to determine the allocation and to commit this budget is delegated to the Cabinet member for Finance, Resources and Compliance. If agreed by Council, this will bring down the estimated level of Working Balances taken into 2017/18 to nearer £3½ million.
- 18.15 The projected position in respect of Working Balances is presented as Appendix C to this report.

## **19 Medium Term Financial Plan (2017/18 and After)**

- 19.1 As reported earlier, the numbers announced in the Grant consultation in December were fractionally different from those assumed in the Cabinet's initial budget proposals. However, the variance is sufficiently small in size that it can be accommodated by a small Use of Balances equal to £90,900 in 2016/17, in line with the strategy proposed.
- 19.2 The results of the consultation on the Provisional Settlement will not be published this year until after Council has met to agree its Budget for 2016/17. It is not unusual for the Final Grant numbers to vary from the Provisional numbers by a few thousand pounds as the Government refines its modelling in response to consultation feedback. Should this be the case, it is recommended that any differences in the final numbers are also adjusted through the Use of Balances line of the Budget.
- 19.3 This number will then be added to the savings requirements from 2017/18.
- 19.4 As mentioned earlier, beyond 2016/17 the Grant numbers show reductions in funding at a slower rate than had been predicted and this has an impact on the savings totals still to be found by the Council over the life of the Medium Term Financial Plan (assuming that the Council both accepts and qualifies for the Government's 4 year settlement offer).
- 19.5 Instead of a figure in excess of £7 million still to find, the revised figure is now just below £5 million. The detail is set out within the budget in Appendix B.
- 19.6 This still represents a significant challenge and doesn't alter either the imperative or the Council's proposed response to dealing with the savings in future years.

## **20 Implications for Council Tax Strategy**

- 20.1 The Budget Proposal agreed by Cabinet recommends increasing Council Tax by the maximum amount of 1.99%.

- 20.2 The Provisional Grant settlement confirmed the unchanged Council Tax referendum threshold for most authorities and the ending of the Freeze Grant strategy which it pursued in recent years. There is no longer any assumption that councils should try to hold Council Tax levels, and indeed the new Grant allocation methodology actively assumes councils will increase Council Tax by the maximum amounts allowed.
- 20.3 The Grant consultation also offered a higher potential increase for district councils whose current Council Tax is in the lower quartile. The additional increase equates to £5 or 2%, whichever is the greater.
- 20.4 The Government's measure of Council Tax includes Special Expenses charges for those councils which have them. The blended Council Tax for Aylesbury Vale District Council, including the Aylesbury Town Special Expense, is £148.12, whilst the lower quartile cut off is £144.59. As a consequence the Council narrowly misses out on the opportunity.
- 20.5 The Government's new total locally combined resources approach to allocating Grant reductions assumes that councils will increase resources by the maximum allowable for those given the extra Council Tax increased headroom. Reductions for these councils are calculated on the increased additional resources available to them, thereby effectively penalising them if they choose not to exercise that freedom. This represents a significant shift for the Government in terms of Council Tax strategy, from discouraging to effectively encouraging maximum increases.
- 20.6 Cabinet justified the proposed increase of 1.99% as a means of partially mitigating the reductions in Government Grant and thereby protecting services valued by residents and businesses in the Vale. The value of Government Grant lost in 2016/17 is nearly £18 for a Band D property, whilst a Council Tax increase of 1.99% recoups just £2.71 of this loss.
- 20.7 For this Council a Council Tax increase of 1.99% would generate £188,500 per annum and would represent an annual increase of £2.71 at Band D, equivalent to 5 pence per week.

## **21 Special Expenses**

- 21.1 Special Expenses are those services provided by the District Council which would normally be provided by a parish council. As such these services are charged as a special charge only to the residents who live in the area to which the services relate.
- 21.2 The budgets for Special Expenses have been reviewed as part of the normal budget development process to ensure that costs are correctly allocated.
- 21.3 Consequently, the budget requirement has been increased slightly but this can still be afforded within the current Special Expenses charge for residents of this area.
- 21.4 Therefore, after two years of reductions to the Special Expenses charge, followed by a Freeze last year, it is recommended that in 2016/17 the equivalent Band D charge is again frozen at the current level of £45.
- 21.5 The Special Expense Budget is set out within Appendix F.

## **22 Options Considered**

- 22.1 These are set out within the budget proposals and have been considered by Finance and Services Scrutiny Committee.

## **23 Reasons for Recommendations**

- 23.1 The Council is required to set a budget in advance of each financial year as the basis for determination of Council Tax and to be used as a key element of proper financial management of the Council's affairs.
- 23.2 The Council's Chief Financial Officer is required to submit an advisory statement for all members to take into account when considering the budget proposals.
- 23.3 Proper financial management and planning should extend beyond the next financial year and agreeing draft budgets for the subsequent four years is considered to be good management.

## **24 Resource Implications**

- 24.1 These are covered within the body of the report.

Contact Officer  
Background Documents

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**Report of the Chief Financial Officer on the robustness of the estimates made for the purpose of the budget and tax setting calculations and the adequacy of the proposed financial reserves.**

**Budget Proposals**

I am satisfied that the process employed for identification, evaluation and inclusion of the items forming the budget proposal package has been properly conducted and has arrived at a set of robust estimates, given the limitations placed upon it resulting from the late announcement of the Government Grant Settlement numbers.

In arriving at this opinion I have taken due account of the following matters:

1. Budget Process

- a) Budget planning has been undertaken over an appropriate period of time and has allowed full understanding of the issues in an operational and financial context.
- b) Every effort has been made to include all Members in the financial planning process through the circulation of reports and associated information. Finance and Services Scrutiny has been invited to comment on initial proposals put forward for consideration by Cabinet and separately have had the opportunity to review the process for identifying savings. In addition, two Members' seminars dealing with budget planning issues were held. The views expressed during the scrutiny process have been fully considered by Cabinet.
- c) Where material changes are proposed to service delivery, these have been presented in separate reports, have been subject to scrutiny where required and the views of those impacted by those savings proposal have been taken into account.
- d) Consideration has been given to the Corporate priorities and resident views in formulating the budget proposals.
- e) The budget formulation process at officer level has been subject to on-going review which has tested the validity of pressures and deliverability of savings options in order to ensure that Members have been made aware of all aspects and implications of actions when formulating the budget proposals.

2. Key Assumptions

In formulating budget proposals it is necessary to make certain key assumptions; these are as follows:

- a) Government Grant - In theory, with 4 year Government Grant settlements now on the table, much of the assumptions and uncertainty surrounding potential future loss of Grant is removed. However, key elements of the former Grant regime remain subject to a consultation process and the outcomes of these could have significant impact on budget planning. The assumptions used in relation to these areas are therefore the indicative ones supplied within the Provisional Settlement numbers.
- b) Income from Business Rate Retention – The new Government Grant system introduced from the 1<sup>st</sup> April 2013 links councils' finances in part to the success of local businesses. Councils are likely to gain from a proportion of real business rate growth and lose a proportion of income associated with business rate losses. Although the Valuation Office has now stated that it has resolved 95% of the outstanding appeals within the system, the reality is that those with the highest values are still to be determined. The Council has provided against large reductions in respect of these appeals and the key assumption is that the actual settlements will be within the sums provided. Appeals aside, the budget proposal takes a balanced

view on the prospects for growth versus the risk of losses and assumes there is no new gain over that already built into the 2015/16 budget. To mitigate the risk of variations against the central assumption, an Equalisation Reserve has been established in order to manage the risk.

- c) Pay and Prices – the proposals include provision for inflation, this being the summary of a set of detailed individual calculations and assumptions. A figure has been built into the budget for pay, based upon the offer (not yet accepted) made to staff.
- d) The proposals reflect the best assessments of expected changes in demand, but there is always considerable uncertainty in this respect. Demand pressures associated with growth in the District are a factor in revenue budgets for next year.
- e) Fees and Charges – as part of the budget development process, Cabinet considered a consolidated list of the Council's fees and charges in order to ensure that all fees and charges get the same scrutiny and are subjected to equal rigour in review. Whilst it is now intended to review all fees annually at the same time, the level of individual fees will be further reviewed should the impact of any legislative change make this necessary.
- f) Council Tax Base and Collection Rate – the assumption of growth in the tax base reflects the recent average. The collection yield for Council Tax remains unchanged at 98.5%. Collection performance has dropped following the introduction of Localised Council Tax Support and so continues to be closely monitored in order to assess the ongoing impact.
- g) Interest on Investments – the outlook for interest rates remains depressed. The best estimate is that they will start to increase towards the end of 2016. However, any increase in the Base Rate will only be gradual. An assumption of probable interest rate yields has been made on this basis. The interest equalisation account is maintained in order to stabilise the sums available to the General Fund but this has been drawn upon heavily over the past few years because of the longer than expected suppression of Base Rates. This budget proposal allows for the ending of reliance on Interest Equalisation and the MTFP includes an amount which is consistent with likely receipts over that timeframe. The cash flow implications of the Capital Programme have been taken into account in calculating the interest earnings available for budget planning.
- h) Contingency Budgets – the financial pressures facing the Council requires budget planning to progress on the basis of absorbing cost pressures through efficiencies and savings. The contingency budget allows for sums to be released by consolidating contingency provisions held within individual services into a central pot and thereby reducing the overall provision held.
- i) New Homes Bonus Scheme – In the face of the consultation on proposed changes to the operation and funding for the scheme, this area represents one of considerable uncertainty. The budget assumes that even if allocations are significantly reduced beyond 2016/17 then there should still be sufficient to fund the contributions to the revenue budget set out within the Medium Term Financial Plan. However, in recognising that allocations are only likely to go down, no further sums have been taken into the revenue budget, thereby not increasing the Council's dependency on this funding stream.
- j) Revenue Implications of Capital Schemes - The revenue implications of those capital investments approved by Council have been reflected in the budget based around central case assumptions.
- k) Any debate around the future shape of local government in Buckinghamshire has been disregarded for the purposes of formulating the Medium Term Financial Plan.

### 3. Monitoring

- 3.1 The performance against budget for 2015-16 has been monitored throughout the year. The latest outturn assessment (an under spend in excess £1,000,000) has

been reflected in budget planning when estimating the level of balances available for 2016-17 and subsequent years.

- 3.2 Whilst a degree of volatility and pressure remains within the budgetary position this is largely masked by underspends resulting from the early delivery of significant budget savings for 2016/17.
- 3.3 The budgetary pressure facing the Council is widely understood and budget holders and managers are working hard towards delivering savings through efficiency and slimmer structures. The umbrella name for this initiative is the New Business Model but this process is evolving to a wider, whole Authority, change programme for which funding is sought in the budget report.
- 3.4 Within this framework, as opportunities present themselves, e.g. through natural staff turnover, they are being taken and budgetary savings are being realised. These savings are then being reflected in the base budget for future years and, as a consequence, will no longer feature as in-year under spending.
- 3.5 The Council undertakes regular monitoring and reports to members and officers.

#### 4. Financial Risks in the Budget Proposals

- 4.1 The budget always contains areas of uncertainty and whilst every effort is made to understand, recognise and manage risks, adequate financial provisions are held in the event they cannot be contained. This provision is in the form of Revenue Balances.
- 4.2 The Council has been presented with a balanced budget proposal for 2016/17, but despite this, the financial risks remaining are still significant and elevated.

#### Government Grants

- 4.3 The financial pressure created by the reduction in Grant represents the greatest and most profound financial challenge faced by the Council since its creation and how it reacts will shape the organisation, its services and the way in which it provides them for many years to come.
- 4.4 The Government has committed to reducing public sector spending until 2019/20 at which point it projects the national budget will be balanced. Built upon this planning assumption, the Chancellor has recently set out the proposed funding for local government for the remainder of this Parliament and, as expected, this includes deep cuts for local government.
- 4.5 Within this, there is a move towards protecting councils with responsibility for Adult Social Care and it is understood that a greater share of the residual resources will be directed towards supporting this service area in future.
- 4.6 In 2010 Government Grant accounted for 55% of the Council's net funding. By 2019/20 it is expected that Government Support (including Retained Business Rates) will be reduced to just £2.5 million. This will equate to a reduction of £11 million from a £22 million funding base (Council Tax and Business Rates).
- 4.7 The risk to the budget proposal is whether the Council can make the decisions necessary to balance the budget with considerably fewer resources than at present

and whether it can continue to provide statutory provision to residents in the face of this reduction.

- 4.8 In response to the future challenges the Council had developed a Business Transformation Programme (badged as the New Business Model) which was considering every service in a bottom up review to determine whether they are what residents want, whether they are delivered in the best way, whether they are delivered by the right people and whether they are being charged for appropriately.
- 4.9 This has proved invaluable thus far in identifying efficiencies and new income streams and this has enabled the Council to produce balanced budgets in each of the last 6 budget cycles. However, redesigning the same organisational structure can only produce a finite amount of efficiencies and in order to face the challenge of the next 4 years, the Council has conceived a new and (from a local government perspective) radical approach to restructuring the entire organisation around customers and commerciality. This approach is badged Commercial AVDC and members of the Council will be aware of its content through separate briefings and communications.
- 4.10 It is essential to the Medium Term Financial Plan and the Council's desire to protect those core services valued by the residents that the Commercial AVDC approach works. To ensure this, it is further essential that the Council prioritises and invests in this initiative appropriately. The Budget proposals include a requested allocation for this programme, which should be sufficient to prove the approach and demonstrate its worth as the central tenant of the budget strategy.
- 4.11 The recent Government provisional allocation announcement set targets for Grant reduction over the next 4 years which were marginally better than had been assumed and this eases the severity of the situation facing the Council, although it remains challenging. However, the Council is still waiting for the Government to confirm these numbers and, in the face of considerable challenge within local government, there remains a risk that the final numbers could change.
- 4.12 The other significant risk in this area is that the underpinning OBR forecasts for growth in the economy were wrong and as a consequence the Government needs to increase the size of Grant reductions to rebalance its forecasts. The 4 years certainty offer should help reduce this risk, but the potential impact of external events cannot be dismissed entirely.
- 4.13 It was thought by many that exiting Revenue Support Grant meant the ending of Grant for an authority and the removal of the Government's influence over them. We held a contrary view, that the Government would not easily relinquish financial control over councils, and with the introduction of negative grant in this settlement we were proved to be right.
- 4.14 This signals that the Government will continue to redistribute resources at a national level and this has implications for other elements of the Government's reform agenda, including the 100% retention of Business Rates.
- 4.15 Having higher working balances at the Council's disposal provides the cushion to enable it to manage the process of reducing the size of the budget, but they should only be used where there is sufficient confidence that the change programme will be successful.



- 4.16 It is forecast that the Council will be holding balances in excess of the minimum requirement at the end of 2015/16. With the backdrop of potential risks in the budget, the on-going and expected future challenges facing the Council and the potential need to provide some cushioning, maintaining higher balances against this considerable uncertainty represents a sensible and measured approach.

#### Business Rate Retention

- 4.17 The system of Business Rates has always proved to be an unpredictable and uncertain element of the Grant system and the Government's announcement that it intends to reform it, so that local government derives a greater share of its resourcing from business rates, will heighten the issues associated with this.
- 4.18 As a growing area, we generally welcome the opportunity to benefit from business rate growth and will watch and participate in the consultation process accordingly. However, whilst there are undoubtedly business rate growth opportunities within the Vale, the wider national economic position and unequal weighting of appeals within the system will continue to present significant risks.
- 4.19 The establishment of an Appeals Provision and the Business Rate Equalisation Reserve means that the Council can continue to manage its exposure to the risks inherent within this system and should provide short term financial security against them.
- 4.20 The Council's decision to participate in a Business Rate Pool in 2016/17 increases the Council exposure risk to business rates losses, as it now shares in the losses of the wider Pool membership. However, similarly, it benefits from upside gains. Entry into the Pool has been recommended following careful consideration, by the respective Chief Financial Officers, of the risks involved.

#### New Homes Bonus

- 4.21 The Council will receive £8.3 million of New Homes Bonus in 2016/17. This again makes its award the largest for any district in England and reflects the fact that it has witnessed more housing growth than other districts over the past 6 years.
- 4.22 However, the longevity of the Bonus has always been questioned as its redistributive effect is uneven across the Country and this makes it unpopular with the majority. As expected, the Government has now signalled its intention to review the scheme with the objective of removing £800 million, approximately 60%, of the scheme's cost.
- 4.23 In recognition of the belief that its future was uncertain, the Council adopted a policy where only a relatively small amount of the Bonus, judged to be equal to Grant loss associated with the introduction of NHB, is taken into its revenue budget. This assumed that if NHB were abolished then the resources allocated to it would be returned to the main Grant streams and consequently the Council would be no worse off.
- 4.24 The proposals contained within the consultation do not advocate the abolition of the scheme, but it will significantly reduce the benefits. Against expectations, the savings derived by the Government from the changes will not be returned to those Councils who originally contributed elements from their Grant streams, and instead the savings will be redistributed to those councils responsible for Adult Social Care services.

- 4.25 Whilst this is not as our strategy for New Homes Bonus expected, the limited reliance upon it and the likely continuation of the scheme at a reduced level means that the Medium Term Financial Plan assumptions are probably still safe. However, increasing revenue dependency would be unwise and the budgetary plan reflects this.
- 4.26 The principal risks to this strategy flow from the Government's proposed sharpening of the Bonus, which could lead, in some circumstances, to the Council not being eligible for any Bonus in some years.
- 4.27 The Council will participate in the Government's consultation exercise and vigorously argue that the Bonus should continue to benefit those contributing the most to the Government's policy objective by generating the highest levels of housing growth.
- 4.28 This risk is part of the continued justification for holding higher working balances at this time.

#### Interest Rate and Capital Investment Decisions

- 4.29 The Council ends its recent reliance on the Interest Equalisation Reserve as part of this budget proposal. Therefore, whilst low interest rates are considered to be unfavourable for the Council, any budgetary risk associated with them has now been removed.

#### Demand Growth

- 4.30 Housing growth within the Vale is a constant pressure on finances. In practice, cost pressures do not increase uniformly. Instead, these tend to step up when certain threshold points are hit.

#### Balances

- 4.31 In formulating this budget, the recommended level of General Fund revenue balance is set at £2.5 million. This level of reserve has been determined following the completion of the annual review exercise to update the budget risk register.
- 4.32 Balances above this level will be useful in delivering change and it is these that continue to give the confidence to say that the budget proposal is robust.
- 4.33 The Government and the media are currently focused, on what they perceive to be, the issue of councils hoarding balances. There remains a risk that the Government may try to raid what it perceives to be excess balances. However, it is considered that the Government would find it difficult to do this because of the complexity of local situations and circumstances, but it is possible that the Government may try to further influence councils to reduce balances.
- 4.34 The Council's balances have built up through the successful delivery of its efficiency and income generation agenda and these have proved invaluable in financing the next tranches of efficiency initiatives, such as the Web project and now Commercial AVDC.
- 4.35 Because of their 'one-off' nature they cannot be used as a substitute for either a savings or council tax strategy, but they are entirely appropriate for upfront and one

off investment. This represents a sensible and appropriate use of excess balances and it is expected that Cabinet will come forward with proposals in the near future for further applications.

## 5. Reserves and Provisions

- 5.1 The Council maintains a range of funds for specific purposes. These receive contributions from revenue and are used to defray expenditure, often on an irregular basis. This represents a prudent and essential part of financial planning and probity.
- 5.2 A complete review of the adequacy of reserves is carried out annually at an officer level (the results of which are reported to the Cabinet member) and bi-annually involving the Cabinet member.
- 5.3 At a headline level, Reserves are increasing and this is being blurred by the media into the Government debate on the level of balances.
- 5.4 It should be stated that the overall position is distorted through the holding of committed allocations in the New Homes Bonus and Commuted Sums reserves. If these are discounted then the overall position on the Council's reserves is reducing but they are still considered adequate in the majority of instances.
- 5.5 The exceptions are the Planning Reserves, where the costs of developing the new Vale of Aylesbury Local Plan and the cost of defending against speculative developments is placing strain upon resources. Excessive income from speculative major planning applications is being channelled into these reserves to bolster their positions and provide sufficient resources to enable the Council to complete the Local Plan work and to defend against appeals.
- 5.6 Similarly to the position on Balances, whilst it is entirely appropriate to hold Reserves, some of the forecast applications are further in the future than others and Cabinet are expected to shortly consider options for making these sums work harder for the Council in the intervening time.
- 5.7 In the mean time the balances are invested and provide valuable income for the benefit of taxpayers and the revenue budget via investment interest.

## 6. Council Tax

- 6.1 The Government has signalled an end to the policy of Council Tax Freezing and through the latest settlement numbers is actively encouraging councils to increase Council Tax by the maximum permissible.
- 6.2 This Council is still bound by the 2% maximum increase threshold and the benefit derived from such an increase is still far short of compensating for the impact created by Grant reduction.
- 6.3 The gap must therefore be filled by the Council through its strategic approach (Commercial AVDC) to balancing the Medium Term Financial Plan. The Council's continued provision of core statutory services is fundamentally dependent upon the success of this strategy.

- 6.4 Council Tax increases are not the solution in themselves, because they simply cannot match the scale of grant reduction, but still do have an important part to play in at least mitigating some of the impacts of inflation and Grant loss.
- 6.5 The preferred solution is in generating new income streams through the provision of services that residents are willing to pay extra for. The profit from these services will enable the Council to continue to provide those core Council services that cannot be monetised and for which neither residents, through council tax, and the Government, through Grant, are paying sufficient to enable the ongoing provision.

## 7. Medium Term Financial Strategy

- 7.1 Considerable effort at Member and officer level has been directed at establishing a budget framework that covers future years and that marries the need to identify efficiency savings and new income streams with corporate priorities. This work has delivered a balanced budget proposal for 2016/17.
- 7.2 Beyond 2016/17 there is now greater certainty on the scale of the challenge and a clear strategy exists for dealing with it. However, given the debate around local government structures, the future of local government funding and the extent of growth within the Vale the financial future for Aylesbury Vale remains as complex as ever.
- 7.3 The one issue which is not disputed is that continued Government savings will need to be made and that local government, as a whole, will continue to bear the brunt of these.
- 7.4 Historically, in facing uncertainty, this Council has always faced up to its financial challenges and created bold and innovative solutions. These are not without risks, and the Council's risk appetite has needed to change and expand in the face of the greater challenges facing the sector. I believe against the backdrop of preserving core services this strategy is both warranted and justified.
- 7.5 The Council's assumptions around negative grant have been proved true and therefore, the Council's strategy thus far has been vindicated. Having the confidence that its projections were correct, it is therefore now imperative that the Council stays focused on balancing its budget, as per the financial plan, and considers the difficult decisions, or investment opportunities, that will need to be taken.
- 7.6 As highlighted within this report, this will require significant business transformation and a radical rethinking about what services the Council provides and the way in which they are provided. It is evident, via the Commercial AVDC programme, that considerable importance is being attached to this at both member and senior officer level.
- 7.7 General Fund revenue reserves and balances have been determined with full consideration of the risks identified within this report. They are, therefore, deemed to represent a sufficient level of provision against the potential financial risk inherent within the Medium Term Financial Plan, provided the Council stays focused on delivering its targets.

Given the actions taken and the level of reserves and balances, I am of the opinion that the budget proposals for the General Fund have been properly prepared and are realistic in the

assumptions made. The proposals have been arrived at after taking appropriate officer advice and have the ownership of the Cabinet.

Andrew Small  
Director  
January 2016

## APPENDIX B1

### Medium Term Financial Plan – 2016/17 to 2020/21 – Final Proposals

Classification	2015/16 Base	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£	£
Business Transformation	416,800					
Economic Development Delivery	-602,900					
Environment & Waste	4,711,600					
Finance, Resources & Compliance	576,900					
Growth Strategy	1,779,800					
Leader	5,232,900					
Leisure, Communities & Civic Amnts	7,138,300					
Plus: Inflation, Savings / Growth	0	-606,300	856,000	842,000	840,000	860,000
<b>Less: Savings Still Required</b>	0	0	-1,607,700	-1,144,200	-1,040,300	-1,068,000
<b>Service Spend Total</b>	<b>19,253,400</b>	<b>18,647,100</b>	<b>17,895,400</b>	<b>17,593,200</b>	<b>17,392,900</b>	<b>17,184,900</b>
Contingency Items	371,500	216,200	216,200	216,200	216,200	216,200
Financing & Asset Charges	-1,346,400	-1,346,400	-1,346,400	-1,346,400	-1,346,400	-1,346,400
Transfers to / (from) Reserves	135,600	135,600	135,600	135,600	135,600	135,600
Investment Interest	-436,700	-436,700	-336,700	-236,700	-236,700	-236,700
Cost of Borrowing	2,191,000	2,365,700	2,357,700	2,312,700	2,266,700	2,266,700
AVE Interest	-1,806,000	-1,983,000	-1,955,000	-1,877,500	-1,849,000	-1,849,000
Use of Balances	0	-90,900	0	0	0	0
Plus: Special Expenses	-836,700	-846,600	-859,300	-880,800	-902,800	-925,400
New Homes Bonus	-1,178,000	-1,178,000	-1,178,000	-1,178,000	-1,178,000	-1,178,000
Retained Business Rates	-476,700	-476,700	-476,700	-476,700	-476,700	-476,700
Council Tax Freeze Grant	-82,100	0	0	0	0	0
Less: Parish LCTS Payment	141,300	70,600	0	0	0	0
<b>Funding Requirement</b>	<b>15,930,200</b>	<b>15,076,900</b>	<b>14,452,800</b>	<b>14,261,600</b>	<b>14,021,800</b>	<b>13,791,200</b>
Funded By						
Government Grant	-6,320,400	-5,214,600	-4,300,000	-3,809,500	-3,261,400	-2,713,300
Collection Fund Transfer	-351,500	-210,000	-210,000	-210,000	-210,000	-210,000
<b>AVDC Council Tax</b>	<b>9,258,300</b>	<b>9,652,300</b>	<b>9,942,800</b>	<b>10,242,100</b>	<b>10,550,400</b>	<b>10,867,900</b>
Council Tax Base	67,902	69,409	70,104	70,805	71,513	72,228
<b>Council Tax</b>	<b>£ 136.35</b>	<b>£ 139.06</b>	<b>£ 141.83</b>	<b>£ 144.65</b>	<b>£ 147.53</b>	<b>£ 150.47</b>
Percentage Increase	0.00%	1.99%	1.99%	1.99%	1.99%	1.99%

## APPENDIX B2

### SUMMARY OF CHANGES

Classification	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£	£
<b>Plus:</b>						
<i>Unavoidable Pressure</i>		1,644,000	200,000	125,000	0	0
<i>Inflation, Pay and Increments</i>		559,000	627,000	708,000	831,000	860,000
<i>Impact of Major Projects</i>		24,000	48,000	28,000	28,000	0
<b>Total</b>	0	2,227,000	875,000	861,000	859,000	860,000
<b>Less:</b>						
<i>New Income and Efficiency Proposals(16/17)</i>		-1,953,300	-19,000	-19,000	-19,000	0
<i>Major Projects</i>		-880,000	0	0	0	0
<b>Total</b>	0	-2,833,300	-19,000	-19,000	-19,000	0
<b>Total Pressures &amp; Efficiencies Identified</b>	<b>0</b>	<b>-606,300</b>	<b>856,000</b>	<b>842,000</b>	<b>840,000</b>	<b>860,000</b>
<b>Change in Available Resources</b>						
Reduction / <i>(Increase)</i> in Investment Interest		0	100,000	100,000	0	0
<i>(Reduction)</i> / Increase in Borrowing Costs		174,700	-8,000	-45,000	-46,000	0
<i>(Growth)</i> / Reduction in AVE Interest Payment		23,000	28,000	77,500	28,500	0
<i>(Growth)</i> / Reduction in AVE Dividends		-200,000	0	0	0	0
<i>(Increased)</i> / Reduced Use of Balances		-90,900	90,900	0	0	0
<i>(Reduction)</i> in Contingency Provision		-155,300	0	0	0	0
Reduction in Collection Fund Surplus		141,500	0	0	0	0
<i>(Additional)</i> / Lower Government Grant - RSG		1,105,800	914,600	490,500	548,100	548,100
<i>Additional</i> / Lower Business Rate Growth		0	0	0	0	0
New Homes Bonus		0	0	0	0	0
Tax Base Growth		-205,500	-96,500	-99,400	-102,400	-105,500
Additional Council Tax		-188,500	-194,000	-199,900	-205,900	-212,000
Government Funding for Council Tax Freeze		82,100	0	0	0	0
<i>(Increase)</i> / Decrease in Special Expenses		-9,900	-12,700	-21,500	-22,000	-22,600
Decrease in Parish Grant		-70,700	-70,600	0	0	0
<b>Total Increase in Resources</b>	<b>0</b>	<b>606,300</b>	<b>751,700</b>	<b>302,200</b>	<b>200,300</b>	<b>208,000</b>
<b>Savings Required</b>	<b>0</b>	<b>0</b>	<b>-1,607,700</b>	<b>-1,144,200</b>	<b>-1,040,300</b>	<b>-1,068,000</b>
<b>Net Change in Resources</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## APPENDIX C

### Budget Proposal - 2016/17 to 2020/21

#### GENERAL FUND REVENUE BALANCES

Classification	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
	£	£	£	£	£	£
Balance brought forward	3,765,000	4,191,000	3,500,100	3,500,100	3,500,100	3,500,100
Windfall Gains & Special Applications of Balances						
- HS2	0	0	0	0	0	0
- Website and E-Commerce Programme	-650,000	0	0	0	0	0
- Commercial AVDC – Change Project	0	-600,000	0	0	0	0
Restated Balance Position	3,115,000	3,591,000	3,500,100	3,500,100	3,500,100	3,500,100
Forecast (Overspend) / Underspend	1,076,000	0	0	0	0	0
Planned Contribution / (Application)	0	-90,900	0	0	0	0
Net (Use) of Balances	1,076,000	-90,900	0	0	0	0
Balance carried forward	4,191,000	3,500,100	3,500,100	3,500,100	3,500,100	3,500,100



## Savings, Efficiencies and Income as Part of 2016/17 Budget Planning

Portfolio	Service Area	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	Proposal	Impact Assessment
Leisure, Communities and Civic Amenities	Parking Services - Vacant posts	59,000					Currently vacant posts being removed from the establishment	
	Service Charges for Waitrose and Travelodge on Waterside South	100,000					Income for service charges on these sites which is currently not reflected in the budgets, whilst the expenditure is.	None
	Shopmobility Buckingham	12,500					Intended transfer to Buckingham Town Council	
	Exchange Street car park - income over budget	120,000					Reflecting the higher income currently being achieved from this site.	Impact of the County Council's car park opening next door is unknown as yet.
	Community Development Manager	60,000					Post Restructured out of the organisation in January 2015	
	Grants Unit - Admin Support	5,400						
	Community Engagement - HP Project	5,100					Reduction in Project Funding based upon previous actual spend	
	Housing Restructure	156,000					Savings achieved following the 2015 review of the Housing structure	
	Grant Funding of Voluntary Organisations	111,000					Reductions in funding for Voluntary Organisations recommended by the Informal Grants Panel as part of the regular review process. Subject to Cabinet Member decision.	
Growth Strategy	Planning- DM restructuring	54,600					Staffing restructuring following review of DM application teams and business support	savings arising from restructuring to ensure that DM is self financing, whilst ensuring a more streamlined, cost effective service which should still safeguard the service delivery for customers and residents
	Planning DM heritage restructuring	56,700					Staff savings achieved from Heritage team restructuring introduced July 2015	Savings arising from restructuring to provide a more streamlined, cost effective service which should still safeguard the service delivery for customers and residents
	Planning Fee Income	257,000					Reflecting actual levels of higher income currently being received in this area.	
	Pre Application Fee Income	20,000					Reflecting actual levels of higher income currently being received in this area.	
	Planning Performance Agreement Income	100,000					Reflecting actual levels of higher income currently being received in this area.	
Leader	Deputy Chief Executive	70,000					Saving achieved from not replacing the Deputy Chief Executive, less the cost of alternative arrangements to cover his functions.	
Environment and Waste	Senior Technical Officers	78,000					Vacant posts from April 2015 following restructuring of the Environmental Health Department	
	Recycling and Waste (Commercial Waste)	50,000					Move 20% of Trade waste customers to Trade recycling reducing disposal costs	

Portfolio	Service Area	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	Proposal	Impact Assessment
	Recycling and Waste	20,000					Income being achieved from Bulky Waste Sales	
	Recycling and Waste	120,000					Income being achieved from the sale of new bins to developers	
	Recycling and Waste	138,000	19,000	19,000	19,000		Additional income due to increase in garden waste charges partially offsetting the increased collection and disposal costs in the delivery of this service. Proposed £2 increase in 2016/17, followed by inflationary uplifts of £1 in subsequent years.	
	Recycling and Waste	100,000					Savings in the cost of Fuel because of low oil prices	
Finance, Resources and Compliance	Legal	90,000					Savings achieved from the restructuring of the Legal department and the procurement of legal services from HB Law	
	Recovery - Court Cost Income	100,000					Reflection of higher Court Cost income being received in excess of the budgeted sum	
	Payroll and Human Resources	70,000					Restructuring of Payroll and HR following the loss of the Dacorum payroll contract	
		1,953,300	19,000	19,000	19,000			

## Budget Pressures Identified in 2016/17 Budget Planning

Portfolio	Service Area	2016/17 £	2017/18 £	2018/19 £	2019/20 £	2020/21 £	Pressure	Assessment
Leisure, Communities and Civic Amenities	Additional Night time Security Patrols in Car Parks	53,000					Provision of additional security patrols in and around car parks in the centre of Aylesbury to stop anti social behaviour	
Environment and Waste	Bucks County Council withdrawal from Inter Authority Agreement	200,000					Bucks CC termination of the Inter Authority Agreement over the sharing of savings accruing from avoided disposal costs associated with new waste and recycling collection arrangement introduced in 2012	
	Recycling and Waste (Garden Waste)	110,000					BCC change to tipping location for garden Waste Disposal	Increase fuel, vehicle, and staffing costs to the garden waste service
	Recycling and Waste	75,000	0	-75,000			BCC change to tipping location for Food Waste Disposal	After 2 years there will be an opportunity to reconfigure the way we collect waste due to vehicle lease expiry
Page 83	Recycling and Waste	400,000					Increase in Mainline Collection rounds to accommodate changes in BCC disposal location for EfW	Ongoing £400k increase to domestic Waste collection
	Recycling and Waste		200,000				District Population growth	Every four years there will be an increase in Mainline collection rounds due to district population growth (£200K per additional round) 2016/17 will see an increase in 1 round over and above changes to EFW and Bio Waste tipping locations.
	Recycling and Waste	200,000	0	200,000	0		Provision for loss of income from UPM. UPM have proposed a decrease in the amount paid per tonne for the remainder of the contract.	In 2017 procurement of the new recycling MRF will need to commence. Current markets show a cost (Gate fee) to AVDC of £30 per tonne. This would be the equivalent of minimum 500K cost to AVDC, base on existing tonnages.
	Recycling and Waste	186,000	0	0	0		Reduction in the Recycling credits @ 45 per tonne.	Based on 18,000 tonnes of recycle largely remaining static over the next 4 years due to light weighting of materials and potential service changes
Finance, Resources and Compliance	Payroll and Human Resources	70,000					Loss of the Dacorum Payroll contract	
	National Insurance	350,000					Single State Pensions changes will mean no Employer NI reductions from SERPS	

1,644,000	200,000	125,000	0	0
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**AYLESBURY SPECIAL EXPENSES - SUMMARY BUDGET 2016/17 (Appendix F)**

	<b>2014/15 Actual</b>	<b>2015/16 Original Budget</b>	<b>2015/16 Forecast</b>	<b>2016/17 Estimate Budget</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Aylesbury Market	29,671	8,800	4,500	9,700
<b>Parks and Recreation Grounds</b>				
Parks Administration	151,193	234,200	234,200	235,700
Alfred Rose Park	38,392	40,900	39,800	41,100
Bedgrove Park	58,018	62,300	60,300	62,700
Edinburgh Playing Fields	48,451	49,900	49,100	50,200
Meadowcroft Playing Fields	46,826	65,000	63,200	65,200
Vale Ground	29,633	14,700	12,600	14,900
Walton Court Sports Ground	36,663	44,000	41,400	44,200
Fairford Leys Sports Ground	68,377	82,700	81,100	83,100
	<b>477,553</b>	<b>593,700</b>	<b>581,700</b>	<b>597,100</b>
<b>Community Centres</b>				
Management	-	71,700	72,500	72,700
Bedgrove	(201,810)	54,000	57,600	54,600
Southcourt	28,377	48,600	58,100	49,200
Alfred Rose	24,107	47,800	48,300	48,400
Prebendal Farm	19,220	40,100	46,900	40,700
Quarrendon & Meadowcroft	53,480	41,600	39,200	41,600
Elmhurst	54,200	-	4,900	-
Haydon Hill	-	4,900	5,100	4,900
	<b>(22,425)</b>	<b>308,700</b>	<b>332,600</b>	<b>312,100</b>
Asset Rental Adjustment	(72,542)	(72,300)	(72,300)	(72,300)
Impairment Recharge	318,484	-	-	-
Repair and Maintenance Adjustment	-	-	-	-
<b>Total Net Expenditure</b>	<b>730,741</b>	<b>838,900</b>	<b>846,500</b>	<b>846,600</b>
<b>General Reserve</b>				
Balance Brought Forward	(471,407)	(455,207)	(518,666)	(477,366)
Expenditure in Year	730,741	838,900	846,500	846,600
Precept - Band D	(775,500)	(802,700)	(802,700)	(815,500)
	<b>(516,166)</b>	<b>(419,007)</b>	<b>(474,866)</b>	<b>(446,266)</b>
Interest on Balances	(2,500)	(2,200)	(2,500)	(2,300)
	<b>(518,666)</b>	<b>(421,207)</b>	<b>(477,366)</b>	<b>(448,566)</b>
Precept - Band D	£45.00	£45.00	£45.00	£45.00
Tax Base	17,233.49	17,838.50	17,838.50	18,122.50

Spring 2016

# AVDC – WORKING COMMERCIALLY FOR OUR COMMUNITIES



**Over the last six years, Aylesbury Vale District Council has saved around £14 million, whilst losing 60% of the government grant.**

This has been achieved not only through efficiencies but through creating new income streams. We've left the old council model behind and have become a commercial organisation, working to provide the services that our customers and communities really want.

**Below are some examples of the innovation which is helping us to thrive.**

## Aylesbury Vale broadband

We have used some of the New Homes Bonus money we received to create our own broadband company, to target the many areas of poor coverage within the Vale. Not only does this provide better connected communities but also generates a valuable return for the council, whilst our residents benefit from improved Internet access.

## Moving to the cloud

**We were the first council in the country to move all of our IT to Amazon's Web Cloud.**

This has allowed the council to become IT infrastructure free, with significant savings in staffing and hardware. More importantly, this has freed us of huge expenses such as high-cost software systems.

This single strategy has driven massive organisational and service change, delivering and enabling a further estimated £6 million of savings over the past five years.



## Commercial ventures

Work is underway on our two new commercial ventures Incgen and Limecart. These brands will use local suppliers to provide home and garden services and products, as well as business services to residents and companies within the Vale. Whilst still in the early stages, brand recognition is key and initial Limecart responses have been extremely positive with the number of contacts growing day by day. See [www.limecart.co.uk](http://www.limecart.co.uk) for further details.



## Transformation of planning

In recent years, the district has seen some of the fastest rates of housing growth in the country and over the next 20 years, under the Vale of Aylesbury Local Plan, is potentially set to grow by a further 31,000 homes (a 40% increase). In terms of applications, this has placed extreme demand on the planning team. Given that the cost of processing these applications is not covered by the government's statutory planning fees, we took the decision to concentrate on reducing costs. As a consequence, our planning team now operates entirely within the statutory fee of £172, with no subsidy required from the council tax payer.

## Town centre regeneration

Many councils have invested in property in recent years but we have invested in excess of £100 million in Aylesbury town centre at a time when the developers were reluctant. Our ambitions have delivered a landmark theatre, the town's first university, a Waitrose store and a hotel. Not only did this support the local economy, at a time when confidence was low, but it leveraged in greater resources for the local economy and will secure the future development of employer-led skills within the Vale. This investment has also generated a further £2.5 million of new revenue to the council. We're now working on moving onto the next phase.



# V A L E LOTTERY

In November 2015 we became the first council to run an online community lottery. Working in partnership with an external company, we're already selling more than 1,800 tickets a week and are currently on track to generate around £55,000 a year for good causes. This is our predicted total just a few months after launch. We expect the actual total to be much higher, as ticket sales increase. There has been a strong community interest in this initiative with more than 100 organisations now taking part.

We started Vale Lottery as an innovative source of alternative income, amidst concerns that reductions in funding would affect the council's existing grant service.

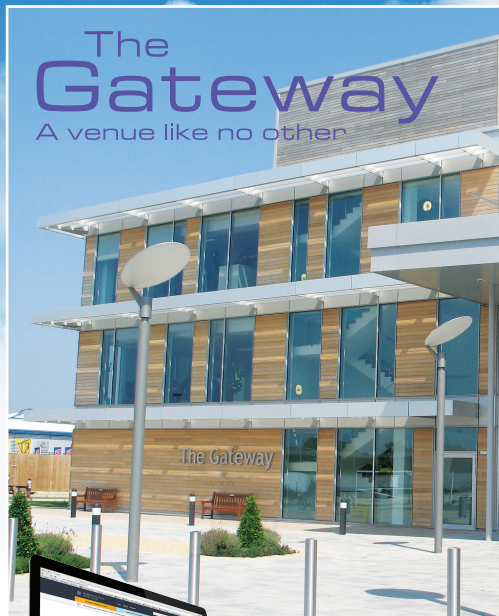
## Car pool for staff

Instead of our old car allowance system, we now have a fully flexible car pool in partnership with the national chain, Enterprise. This involved a culture shift, after years of a mileage claim system, but has resulted in better planning of journeys and enabled the council to supply a low emission fleet, saving the taxpayer £100,000 annually.

## Leisure centre investment



We invested council resources in a major refurbishment of Swan Pool, Buckingham, having awarded the management contract to national chain Everyone Active, in 2013. This contract has taken what was previously a management subsidy to a net betterment of £600,000 a year.



## Maximising office accommodation

On the back of moving our IT to the Cloud we rationalised our office accommodation, renting vacated space to the NHS and enabling us to build a dedicated conference facility at the Gateway. In 2015, this conference facility generated £150,000 in room hire alone.

## New website

Our redeveloped website receives around 60,000 visitors a month and being device responsive, means our customers can deal with us online, wherever and whenever they want to.

More than 13,000 residents have signed up to our Aylesbury Vale My Account, enabling them to access council services online. The web chat function on My Account, is proving so popular we are looking at using this on other parts of our website. This would make significant long-term savings and offer greater convenience for our customers.

# Sharing our ideas

In February 2016 we held a conference where we shared our learning and experiences with over 160 delegates from councils as far away as Cornwall and Cheshire. We also had key suppliers attending the event. Due to its success, we'll be hosting another event later this month.

## Here's just some of the feedback we received:

*"Very, very professional - a well executed event."*

*"I was impressed with the venue, the welcome and the facilities."*

*"AVDC clearly shows foresight, optimism and innovation - they seem to invest in their staff and have lots to be proud of."*



iESE Council of the Year 2015

To find out more email [commercial@aylesburyvaldc.gov.uk](mailto:commercial@aylesburyvaldc.gov.uk)

Cabinet  
6 September 2016

## **AYLESBURY VALE BROADBAND LTD BUSINESS PLAN**

**Councillor Mrs J Blake**

**Cabinet Member for Business Transformation**

### **1 Purpose**

To consider the draft Annual Business Plan prepared by Aylesbury Vale Broadband Ltd following the first full year of trading.

### **2 Recommendations/for decision**

2.1	That the draft Business Plan prepared by Aylesbury Vale Broadband Ltd (set out in Appendix 1 in the confidential pages of this report) is agreed.
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### **3 Supporting information**

3.1 In December 2014 the Council committed £1.536m of New Homes Bonus funding to support the rollout of superfast broadband across the district. In April 2015 the Council approved an initial loan from this funding of £200,000 to run a pilot project through the creation of a limited liability company Aylesbury Vale Broadband Ltd (AVB) to provide superfast broadband to villages of North Marston and Granborough.

3.2 Progress with the pilot has been reported to the Economy and Environment Scrutiny Committee on a regular basis with the last report on 15 March 2016. The scrutiny committee will also be receiving a report with the business plan on 7 September 2016.

3.3 As a result of the success of the pilot, in April 2016 a further loan was approved for £500k to support further expansion of the service across the Vale. These loans are made under commercial rates terms and are expected to be repaid by 30 June 2022.

3.4 AVB is structured with the majority shareholder (95%) AVDC and 5% Ironic Thought. Ironic Thought is owned by Andrew Mills who was appointed as the Managing Director in July 2016 following a decision by Cabinet.

3.5 Some of the wider benefits of AVB's progress to date that have been achieved include:

- AVB's network, in the middle of rural Aylesbury Vale, is delivering speeds that only 2% of the UK population can currently receive.
- Approximately one in three of AVB's customers are small business owners whose businesses are now benefitting from AVB's 100% fibre broadband.
- As a direct result of AVB's pilot, its competitors (including fixed and wireless providers) have spent an estimated £600,000 on upgrading their existing solutions and providing new services to Aylesbury Vale. This expenditure is unlikely to have happened without AVB's existence

and it means fewer people are having to make do with poor broadband in Aylesbury Vale.

### **Plans for the Future**

- 3.6 The business plan includes plans for expansion which go further across the Vale to deliver fibre to the home (FTTH) to more villages. This is predicated on an additional £550k loan being allocated to AVB from the original £1.535m funds earmarked for super fast broadband.
- 3.7 It is forecast by several industry bodies that demand for bandwidth is expected to “grow exponentially” by 2020. Fibre is in the only known technology that can cope with this exponential demand, without additional investment and therefore by selecting FTTH, AVB is reducing its future support and maintenance costs and therefore increases confidence in the financial forecasts for the future.

### **4 Options Considered**

Not investing in the further expansion of FTTH would leave villages waiting for other providers to possibly extend their reach to their area but with no guarantee and a lesser quality product.

### **5 Reasons for Recommendation**

To continue to expand the access of rural areas across the district to super fast broadband.

### **6 Resource implications**

- 6.1 There are no further resource implications

Contact Officer	Evelyn Kaluza, Commercial Sector Lead - IP/People Tel: 01296 585549
Background Documents	None



**Cabinet**  
**6 September**

## **WATERSIDE NORTH - FUTURE PHASES OF DEVELOPMENT**

**Councillor N Blake**

**Leader of the Council and Cabinet Member for Major Projects**

### **Purpose**

- 1.1 This report outlines the steps that need to be taken to bring forward the next phases of the redevelopment of Aylesbury town centre and asks approval for a budget to enable the preparatory work to progress.

### **2 Recommendations/for decision**

- |   |
|---|
| <ol style="list-style-type: none"><li>2.1 That Cabinet recommend to Council that a budget of up to £250,000 is met from the general revenue fund to enable the preparatory work for the next stages of the redevelopment of Aylesbury town to progress in support of the council's economic and Commercial AVDC strategies.</li></ol> |
|---|

### **3 Supporting information**

#### ***Background***

- 3.1 In 2014, AVDC published a masterplan (Appendix A) for the phased redevelopment of the Exchange Street car park. The master plan was indicative but set the context for phase one - ie the redevelopment of the area between the restaurants outside the cinema and Long Lion.
- 3.2 Outline planning for phase one which comprises restaurant and commercial space on the ground floor with one and two bedroomed apartments on four floors above, together with a stunning new public square, was granted in late 2014. At the time of writing this report, the reserved matters application was due to be considered by the Strategic Development Management Committee on 21 September. If approved, construction is expected to start on site in early Spring 2017 with completion approximately 18 months later.

#### ***Demand for further redevelopment***

- 3.3 The progress made on the plans for phase one have been monitored with interest by the market. The collective investment in recent years by both the private and public sector is a sign of the growing confidence in the town centre and an optimism about its future.
- 3.4 There is also a recognition that as the county town expected to accommodate significant housing growth on its fringe as part of the Vale of Aylesbury Local Plan (VALP), Aylesbury has the scope and potential to attract more retail and food and beverage outlets whilst providing a highly desirable location for town centre living. More quality public space would be expected to feature as an important part of the mix.
- 3.5 These assertions are supported by a recent study by The Retail Group which was commissioned as part of the evidence base for the draft VALP. The final conclusions of the study are awaited but the early indication is that there is demand for additional retail space whilst recognising that it's also important to ensure that existing retail space is fully occupied and not compromised by new space.
- 3.6 With respect to food and beverage demand, a study by Coverpoint in 2013 confirmed that upwards of 15 additional operators were needed to reflect the changing role of town centres, where leisure dining has become a visit in its

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own right as well as now being an increasingly popular part of a visit for retail shopping. The growth in the food and beverage sector remains very strong and even though new restaurants have opened since 2013, they have mostly replaced former operators rather than taken new space. The delivery of the new restaurants in phase one of Waterside North, will still leave considerable unmet demand and will help attract other operators who want to be part of the Aylesbury food and beverage community.

- 3.7 There also continues to be a compelling case for town centres to be a hub for new homes and any schemes which emerge for future phases of re-development are likely to include new housing as well as quality open space helping to connect pedestrian circuits through the town and provide places for people to dwell, relax and socialise.
- 3.8 The draft VALP Aylesbury town centre policies (Appendix B) support the continued development of the town centre and reflect the Vision (see overleaf) of the town described in the Aylesbury Town Centre Plan.

**Aylesbury will:**

...be a high profile, sub-regional centre for entertainment and the arts, which has added a distinctive edge to its market town heritage.

...be a distinctive, 'best in class', modern market town, which is attractive, safe, sustainable and connected.

...provide a quality, day and night-time environment in terms of leisure, retail and food and drink, which attracts and brings together people of all ages and communities from within its enviable catchment.

With respect to future phases of redevelopment, the draft VALP does not limit this to the Waterside North site, and Appendix C shows the plan in the draft VALP which identifies an area which embraces a wider area for potential redevelopment. However, the scope of area for future phases will depend on a number of factors not least the market, developer interest in Aylesbury (which is expected to be good) and the financial viability of any draft scheme put forward.

***The role of AVDC***

- 3.9 Nationally there is an expectation that local authorities will take a leading role

***“Strong and dynamic leadership is required, this will be led at local authority level but critically working with businesses and with community involvement to bring about successful long term changes on town centre function and provision.”***

Beyond Retail. Redefining the shape and purpose of town centres. A report published in 2013 by a taskforce set up by the Government following the Mary Portas review.

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- 3.10 In effect AVDC has been ahead of the game, and for some years has taken a leading role in the regeneration of the town centre. It has taken a place shaping role and financial and economic development objectives to deliver a wide range of new facilities including the theatre, Waitrose, Travelodge, new car parks, public space and more recently the University Campus Aylesbury Vale.
- 3.11 This has returned both direct and indirect benefits. By using our prudential borrowing capability and assets we have funded the build costs and used the rental income from tenants to generate a return on investment and a revenue income stream to contribute to the costs of delivering other services. Indirectly, AVDC led development has delivered:
- an increase in business rates (of which AVDC retains a %) as other operators have moved into town
  - protection of our own investments eg customers visiting the new restaurants also patronise the theatre
  - over 200 jobs creating wealth in the local economy and sustainability
  - the theatre brings people to the town centre with spin-off spend for local businesses
  - AVDC's role and reputation helped secure a £3.3m grant from the South East Midlands LEP for Waterside North phase one.
- 4.12 AVDC is now bringing phase one of Waterside North to fruition. With supporting funding from Aylesbury Vale Advantage, it has led the process from working with the architects and the market to develop the masterplan to procuring a development partner and detailed planning approval. It is, therefore, well placed to continue in this role and ensure that the momentum building in the town is not lost.
- 4.13 AVDC will not be in a position to take any scheme forward without a private investment partner(s) and /or support funding from other sources. However, in order to attract quality investment partners and potentially other funds in a very competitive market, it will need to have carried out certain preparatory work first.
- 4.14 As with phase one, any future development will need to be supported by a business case and meet the objectives of the Commercial AVDC programme. Costs incurred now by AVDC will be built into the business case and recouped over time.

#### ***Preparation for next phases***

- 4.15 There are six areas of work which we need to commission. These are summarised below with indicative costs:

#### **1. A retail review to identify market opportunities and operator interest**

- 4.16 The Retail Group has been commissioned by Planning to update the capacity retail requirements of Aylesbury and other centres to inform the VALP policies. However, to help shape the future development of Aylesbury town centre, we need to extend the brief to understand current retail trends, gaps in the retail offer and start a dialogue with target operators to 'pitch' Aylesbury and obtain a realistic understanding of their interest of locating in the town. Indicative cost £25k

**2. Additional master planning support to define the scope of the next phases of development and specify the development and planning outcomes we wish to achieve.**

- 4.17 The council has a number of significant land and operational interests in the town centre, including surface and decked car parks, mixed commercial accommodation and land being used for informal/formal vehicular and pedestrian access.
- 4.18 There may also be land and property which AVDC would like to see being brought into beneficial economic uses which is currently in third party ownership. When we are considering the next phases of development, we will need to support these development factors with an indication of our planning objectives in the form of a master plan or development framework. And whilst a framework was produced and published in 2014 for the redevelopment of the whole of the Exchange Street car park and some adjacent areas, the area in scope as defined in the draft VALP, is now much more extensive. Thoughts about the composition of mixed-used schemes have also moved on. Indicative costs £25k

**3. Soft market testing**

- 4.19 Soft market testing (SMT) the emerging proposition is an important opportunity to engage with active developers and gauge market appetite for the project. Through a SMT process the Council will also gain insight into aspects of the master plan which require further consideration before a formal marketing process commences.
- 4.20 The agreed project would be market tested with a pre-agreed list of developers and investment partners. These may comprise developers which are principally known for their retail expertise, some who may be better known for their contracting expertise, and some who focus on residential led schemes and others with a regional focus.
- 4.21 The soft market testing would enable AVDC to establish current developer interest in the project, benefit from developer ideas and thoughts about the best approach to delivering the next phase of development and understand current capacity to respond to a tender invitation. We can also use the soft market testing to explore AVDC's role in the delivery process, critical aspects of the scheme which require more detailed consideration prior to marketing and the scope to participate in a joint venture if that is one of our preferred options. Indicative cost £10k.

**4. Valuation advice relating to land and property included in scope or affected by any next phases**

- 4.22 We do not see the next phases of development being necessarily constrained to land just within AVDC ownership. Understanding third party interests will be an important part of producing the master plan or development framework. In order to inform the viability of a prospective scheme, we will need to prepare a land assembly cost assessment, which will take account of acquisition by agreement as well as through the use of any compulsory purchase order powers we consider necessary. Indicative cost £15k

## **5. Marketing the development proposal and procurement**

- 4.23 The successful implementation of the next phase will involve many ingredients, but a critical one will be the procurement of the right development partner (s) to work with us. In order to deliver the council's objectives, we will want to carefully consider our partner selection and have a robust business plan in place to prior to the formal marketing taking place.
- 4.24 We will need to evaluate the procurement options open to us and evaluate the relative benefits of each option before deciding on our procurement strategy. Once we have a strategy in place, we can move to delivering the procurement process. The procurement process can be complex and lengthy but our aim will be to simplify it where we can and make it as streamline as possible to ensure that we attract interest from quality, potential development partners. Indicative cost £135k

## **6. Commissioning a parking strategy**

- 4.25 With the housing growth anticipated on the edge of town and our own aspiration to increase employment and visitor footfall in the town centre, we need to review our parking capacity and plan for the future. Parking will need to be included in the master plan or the development framework referred to in section 2 above, but this strategy would need to extend beyond the area in scope and consider the whole town needs alongside any parking arrangements and plans by the private sector and Bucks County Council. The Bucks County Council input would also reflect their on street parking and public transport plans. Indicative cost £30k

### ***Summary of costs***

- 4.26 The total indicative cost of the work highlighted above is £240k. If approval is given, the different services will be procured on a competitive basis using a relevant procurement framework. At least two different commercial services will be needed to fulfil the brief given the specialist nature of some of the work. However, where possible existing contractual arrangements will be used – for example H B Law.

## **6 Options considered**

- 6.1 AVDC could chose to do nothing and wait for a developer (s) to come forward and suggest a scheme(s) for the next phases of redevelopment. However, this would be highly unlikely to happen and a high risk strategy given the competition from other centres seeking to attract development partners for similar sized schemes. Leaving it to the market would also mean that our ability to shape and influence what happens next, would be very much reduced.
- 6.2 There is a significant risk that unless AVDC continues to take the lead, the momentum in the town centre could stall putting at risk our already considerable investment in the town centre, including Hale Leys Shopping Centre which AVDC 50% owns as part of the Aylesbury Vale Estates agreement.

[Type text]

- 6.3 Alternative sources of funding have been applied for via the LEPs but unfortunately revenue spend does not qualify for Local Growth funding. However, a request has been made to the BTVLEP for Local Area funding. At the time of writing this report, a response was awaited. In the meantime, progress needs to be made for the reasons outlined in the paragraphs above.

## **7 Reasons for Recommendation**

- 7.1 To enable a mixed scheme for the next phases of redevelopment of the town centre to be progressed.

7.2

## **8 Resource implications**

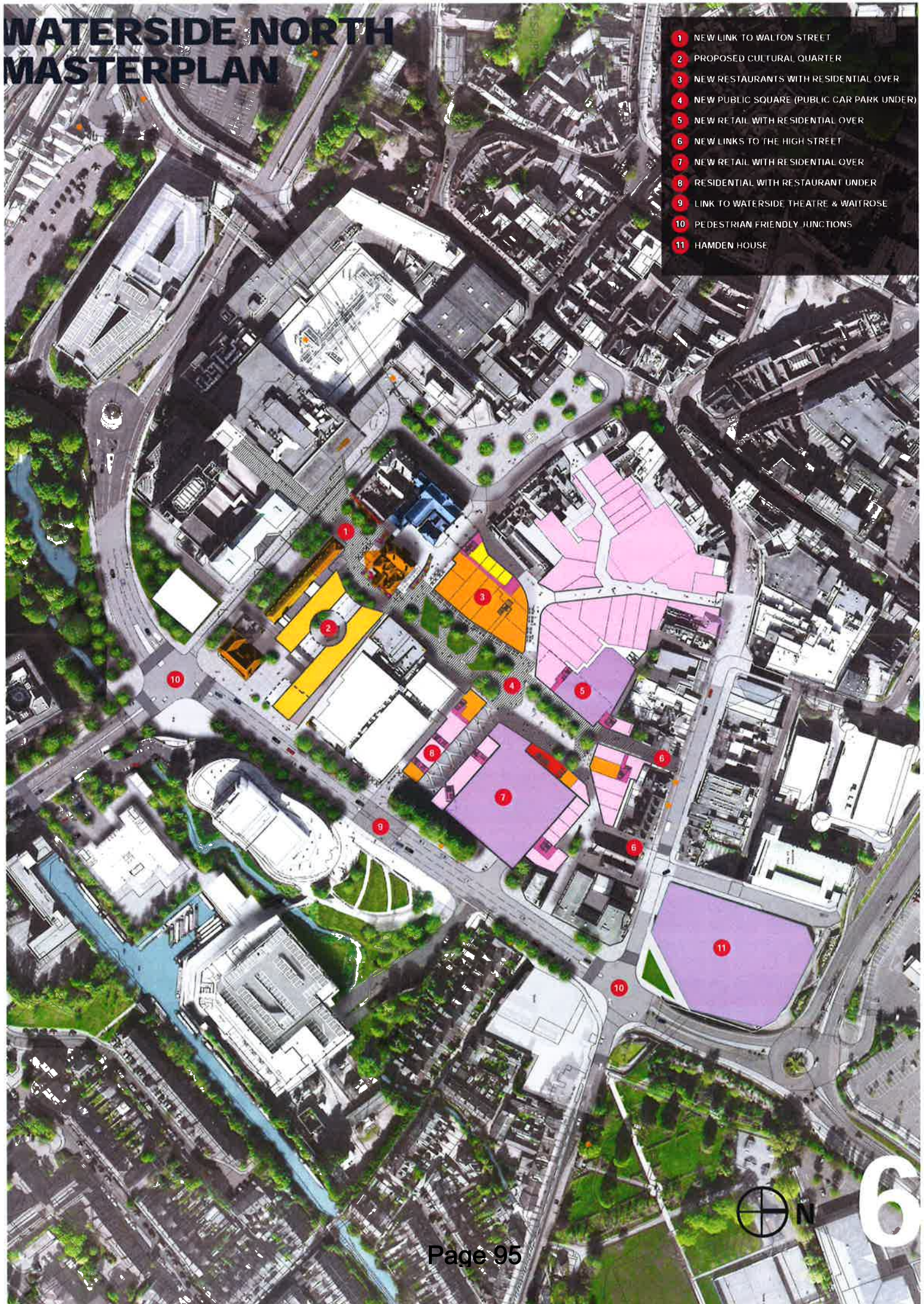
- 8.1 If approved, the estimated costs of £250k would initially be met from the general revenue fund but would need to be recouped as part of the business case for any scheme coming forward as a result of the forward investment.

Contact Officer  
Background Documents

Teresa Lane 01296 585006  
Master plan for Waterside North July 2014  
Aylesbury Town Centre Plan 2014  
Draft Vale of Aylesbury Plan July 2016

# WATERSIDE NORTH MASTERPLAN

- 1 NEW LINK TO WALTON STREET
- 2 PROPOSED CULTURAL QUARTER
- 3 NEW RESTAURANTS WITH RESIDENTIAL OVER
- 4 NEW PUBLIC SQUARE (PUBLIC CAR PARK UNDER)
- 5 NEW RETAIL WITH RESIDENTIAL OVER
- 6 NEW LINKS TO THE HIGH STREET
- 7 NEW RETAIL WITH RESIDENTIAL OVER
- 8 RESIDENTIAL WITH RESTAURANT UNDER
- 9 LINK TO WATERSIDE THEATRE & WAITROSE
- 10 PEDESTRIAN FRIENDLY JUNCTIONS
- 11 HAMDEN HOUSE



6

## Aylesbury town centre

- 4.112 Aylesbury is the county town of Buckinghamshire and has long been the focus of new development in the district and will continue to be the main location for growth in its role as a garden town. This means that investment and development both inside and beyond the town centre boundary will to be necessary to meet the needs of the growing population.
- 4.113 Aylesbury is fortunate in having successfully retained its historic centre whilst accommodating significant modern developments. A major part of its attraction is the proximity of the "Old Town", centred around St. Mary's Church, to the main shopping area, and that within the shopping area there is a number of historic buildings and frontages which adds to its distinctiveness and character.
- 4.114 Recent years have seen significant investment in the town with the development of Aylesbury Waterside Theatre and a Waitrose store, and further development is planned as part of the Waterside North scheme. The town is reasonably well represented by national retailers and has a major department store. However, in order to compete successfully within the sub-region, Aylesbury needs to overcome the current challenges it faces:
- The challenges**
- 4.115 **Recession** - for towns of Aylesbury's size, the recession had a significant impact and whilst unit vacancy rates remained below the national average, many national retailers have reduced their portfolio concentrating their investments into the regional towns or cities. Attracting new private sector investment has also, until relatively recently, been difficult. Future aspirations for the town centre need to recognise that phased development within a vision framework will be the favoured approach.
- 4.116 **Attractiveness and identity** - like all town centres, there are areas of Aylesbury which haven't been improved for some time and consequently reflect negatively on the town. This affects both visitors' perception and those of potential new investors. Future plans need to pay equal attention to these areas as well as the opportunities for new development.
- 4.117 **A growing population** - with Aylesbury remaining the main focus and a significant area for housing and employment growth in the district, further infrastructure (including retail) within and beyond the town centre will continue to develop, simply to meet the needs of a growing and working population.
- 4.118 **Protecting existing investment** - the success of existing assets and investments such as Aylesbury Waterside Theatre and Aqua Vale depend on the whole visitor experience. Plans to deliver new shops, catering outlets and public realm improvements have not come forward as quickly as originally anticipated, largely due to the economic downturn.
- 4.119 **Competition and changing expectations** - as well as people's changing expectations of their town centres, other growing trends are posing a threat to the traditional high street:
- **Out of town retailing** – key retailers moving out of Aylesbury's town centre when their leases come up for renewal could have a major impact.
  - **Competition from major supermarkets** who have made themselves more appealing to people with busy lifestyles by broadening their non-food retail offer and raising their game in sectors such as fashion by using leading designers.
  - **Internet/mobile shopping** – this continues to be the single biggest impact on the shape of town centre retailing. Retailers are responding partly by rationalising their portfolio but also by developing their click and collect offer to capture secondary purchases through the collect visit.



- **Consumers making fewer, shorter trips to towns**, preferring to make longer trips, less frequently to bigger regional centres which offer the total day experience. Here shopping can be combined with a variety of leisure activities whether dining or visiting the cinema. A two-hour drive is not considered unreasonable by today's consumers.
- **Leisure time is becoming more important** to people leading busy lives and coupled with the growth of internet retailing this means that shopping will no longer be the primary reason to visit a town centre. The opportunity to socialise in Aylesbury town centre will be key to its future success.
- **The proposed east-west rail route** could attract visitors from the villages in between Aylesbury and Milton Keynes. However, it will also make it easier and more attractive for them to go to MK from Winslow (a new station is due to open in 2020) if Aylesbury does not succeed in improving its offer.
- **The rising popularity and enhancement** of other competing centres such as High Wycombe and Bicester town.

Failure to capitalise on our catchment.

- 4.120 Aylesbury has a large potential catchment of 238,000 people within a twenty-five-minute drive time. Three quarters of this catchment are 'affluent, aspirational and from the highest social profile groups in terms of lifestyle.' Yet the town is failing to capitalise fully on these high spending consumers because, while some are visiting the town centre for employment reasons or to use services such as banks, they are not necessarily visiting in the numbers that could be achieved in terms of retail and other activities. Of those who are visiting, an insufficient number are spending their money in the town. So, unless Aylesbury improves its offer to give its catchment market what it is increasingly looking for, current leakage to neighbouring towns will continue.

#### **Guiding principles and strategic aims for future development**

- 4.121 In seeking to enhance Aylesbury's role as county town and sub-regional shopping centre, the council has developed and approved the Aylesbury Town Centre Plan (2014) which was prepared working closely with Aylesbury Town Council and Buckinghamshire County Council. The Town Centre Plan sets out seven guiding principles for the future development of Aylesbury town centre:
- 4.122 **Principle 1:** Positioning the town centre correctly by providing a complementary, credible alternative to Milton Keynes and Watford and being a 'best in class' sub-regional centre.
- 4.123 **Principle 2:** Being different, rather than a 'clone', but base the town's unique selling point on reality. Aylesbury needs to distinguish itself from other town centres in the area, but in a way that is credible.
- 4.124 **Principle 3:** Offering what the 'market' is looking for to capitalise on our enviable catchment. Whilst there has been significant investment in the town centre in recent years by both the public and private sector, Aylesbury's retail offer is currently weighted towards the lower/mass market consumer, with a limited choice in terms of product categories, ranges and brands for the mid/upper market, discerning consumer.
- 4.125 A food and beverage assessment carried out by Coverpoint in 2014, also concludes that the town centre retail and food and drink sector needs more choice across all categories, but particularly in the family dining and mid-higher quality categories.
- 4.126 **Principle 4:** Encouraging social interaction. Whilst the retail experience is changing largely as a result of the internet, visitors will still value a physical town centre outlet, particularly if it offers them opportunities to browse and spend time in an attractive environment and meet their friends and family. They will see the town centre as a place not just for shopping

or business, but for social interaction in its widest sense and as a place in which to meet, relax and spend their leisure time. New improvement schemes need to recognise this by delivering, integrated mixed uses including housing and quality public space throughout the town to help connect the different areas.

4.127 **Principle 5:** Build community spirit. Social interaction is about inclusiveness and using space and facilities to help build a sense of togetherness as one community. We should aim to create a town which shows its community spirit through welcoming events and activities.

4.128 **Principle 6:** Take a connected, 'whole town' approach. The success of one area of the town should not be compromised by development in another and we must take a strategic approach to work such as green infrastructure and signage.

4.129 **Principle 7:** Appeal to all our different town centre users. We must make sure we're appealing to the whole of our potential catchment including families, young professionals, students, college and university leavers who are looking for their first jobs, 'empty nesters' and older people.

4.130 The following strategic aims flow from the guiding principles, our vision for Aylesbury and the studies and strategies which arose from the recommendations from the previous Aylesbury Town Centre Masterplan carried out by ARUP. They are cross-cutting, which means they have implications for the whole of the town, but the action plans in the Town Centre Plan show how they will apply to specific areas.

4.131 The strategic aims are grouped under two main headings:

Economic regeneration

4.132 Provide a more balanced and attractive leisure, retail and food and beverage offer and circuit, which:

- helps transform the day, evening and weekend economy in Aylesbury and puts it on the map as a destination of choice
- matches the needs of all ages and communities and brings them together
- matches the needs of consumers from within our catchment (and beyond), as well as business investors and operators, and
- builds on the legacy of London 2012.

Physical regeneration:

4.133 Create a high quality, connected and sustainable built, natural and transport environment which appeals to, and matches the needs of, all consumers and business investors within our catchment market and supports our leisure, retail and housing aspirations.

The vision

4.134 To enable Aylesbury to compete and succeed in the future we need to continue our work to reinvigorate the town centre. The Aylesbury Town Centre Plan contains the following vision for the town:

- To be a high profile, sub-regional centre for entertainment and the arts, which has added a distinctive edge to its market town heritage.
- To be a distinctive, 'best in class', modern market town, which is attractive, safe, sustainable and accessible.

- To provide a quality, day and evening environment in terms of leisure, retail and food and drink, which attracts and brings together people of all ages and communities from within its enviable catchment  
(Aylesbury Town Centre Plan, 2014)

4.135 There are a number of uses and activities that should be accommodated in the town centre including shopping, leisure, entertainment, employment, housing, worship and tourism. It is one of the objectives of this Plan to accommodate these sometimes competing uses in a way which most benefits the whole of the town centre.

4.136 The Aylesbury Town Centre Plan reflects the advice in the National Planning Policy Framework (NPPF) regarding town centres, which states that policies should support their viability and vitality and promote competitive town centres that provide customer choice and a diverse retail offer.

### **A place to shop**

4.137 In accordance with the NPPF, the principles of the settlement hierarchy, and recognising Aylesbury's role as a garden town, new shopping development should be concentrated at Aylesbury, and this development should be concentrated within or on the edge of the town centre. Aylesbury's town centre embraces a multitude of uses and activities including shops, homes, jobs, pubs and clubs, restaurants, leisure, sports and community facilities. The town centre is defined on the policies map and includes the area within the inner relief road, along with areas to the south which include Morrison's and the railway station, to the south east including Aylesbury Waterside theatre, Waitrose, and Vale Park and Aqua Vale swimming and fitness centre to the east, and to the north east including Aylesbury Shopping Park, B&Q and the Royal Mail sorting office. The proposed town centre boundary is as identified in the Retail Study Annex F. Proposals for development within this area will be considered having regard to their town centre location.

### **New floor space requirements**

#### **Comparison goods**

4.138 As the population grows with the expansion of the town (and wider district), there is a need for the town's shopping facilities to expand and improve in order to maintain Aylesbury's role as the main retail focus in Aylesbury Vale and as a sub-regional centre in the county. The Aylesbury Vale Retail Study was carried out in 2015. This concludes that 16,000 m<sup>2</sup> of comparison floor space<sup>20</sup> will be required by 2033 and that this should predominantly be delivered towards the end of the Plan period.

4.139 This is a district-wide target, but it is the council's intention to focus new comparison retailing at Aylesbury as the main focus for shopping in the district. This figure is not seen as a prescriptive target, but rather as an indicative guide to the amount of floor space that will be required in the plan period. However, it is the council's intention to commission an update on the retail evidence to accompany the next stage of the plan (proposed submission) in order to reflect the most up-to-date information on the amount of growth to be accommodated in the district, and where it should be located recognising Aylesbury's enhanced role as a garden town delivering the majority of the district's growth. As such, the floor space requirement may increase.

4.140 It is essential to locate comparison shopping in such a way as to extend range and choice. The first priority is therefore to accommodate the additional floor space within the retail

<sup>20</sup> Comparison goods are defined in full in the glossary, but include items such as clothing and electrical items

core of the town centre . The additional floor space will primarily be delivered by allocating a new site within the town centre for a mixed-use redevelopment.

- 4.141 Waterside North, a town centre site adjacent to Exchange Street and currently in use as a temporary surface car park, has been identified for a number of years as the location for the next phases of development. The Phase one scheme will see the construction on part of the car park, of up to four restaurants, with 47 apartments on three floors above and a new public square beginning in early 2017 with completion in 2018.
- 4.142 The provision of the additional retail floor space is expected to be included in future phases of development which will extend the site beyond Waterside North to the Royal Mail sorting office. This area is shown on the policies map. In addition to retail, these development phases should provide a mix of main town centre uses and fulfil the vision and strategic aims for the town centre as set out above. This should include an element of car parking to redress any shortfall in car parking from the loss of existing car parks as a result the next phase of town centre regeneration.
- 4.143 An Aylesbury parking strategy is due to be commissioned shortly, which will set out the council's aims regarding parking in the town, identify the amount of parking that the town centre needs and conclude where this should be located and in what form.
- 4.144 Within the town centre, the council will view positively proposals for retail and other main town centre uses provided that they contribute positively to improving the quality of the town centre and delivering the vision and aims set out above. The Retail Study concludes that qualitative improvements and investment will be needed to retain Aylesbury's credibility as a sub-regional centre and ensure that it can increasingly be seen as a place for social interaction. In particular, the development or redevelopment of smaller sites can lead to qualitative improvements in shopping facilities and can readily be accommodated within and enhance the town centre. Other proposals for town centre comparison goods shopping will be assessed against policy D10.

Convenience stores

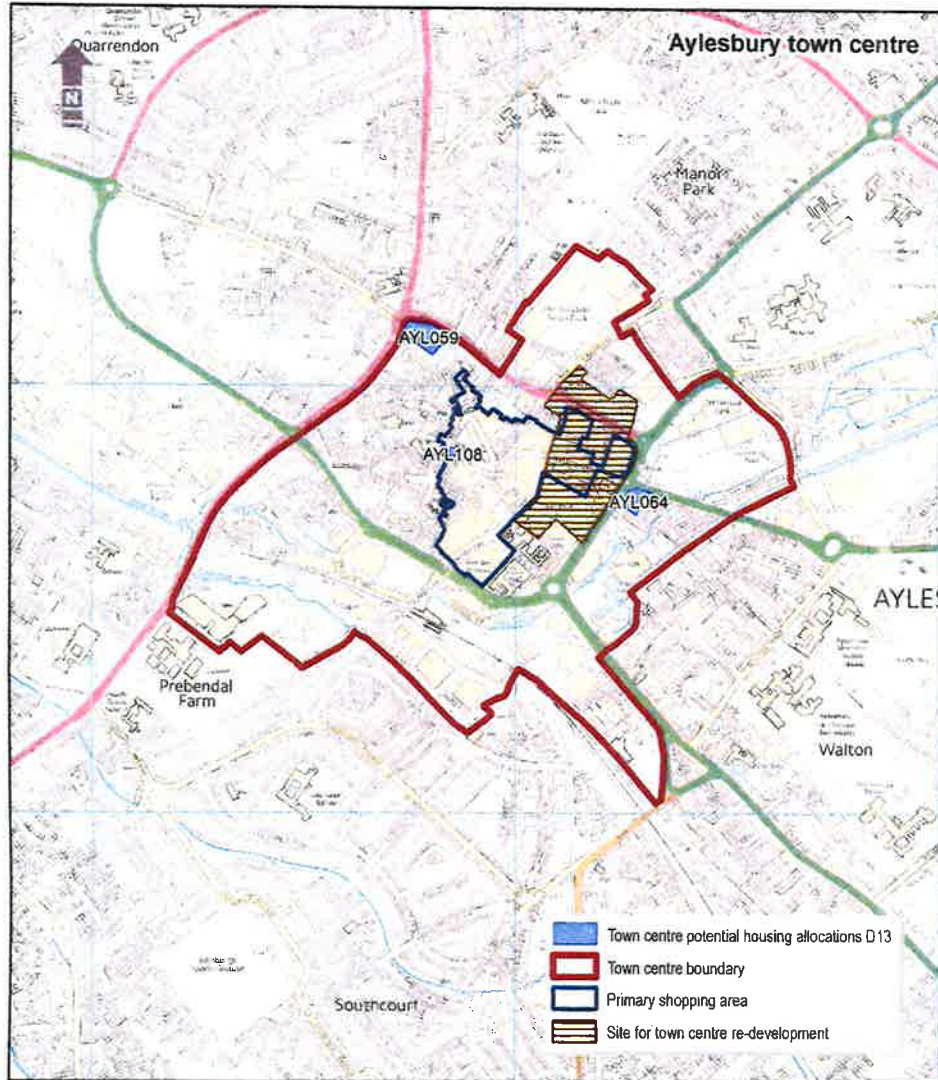
- 4.145 Aylesbury is well served by convenience stores<sup>21</sup>, and the Retail Study concludes that only around 3,000 m<sup>2</sup> of new convenience floor space will need to be delivered by 2033 in Aylesbury. Within the town centre, a scheme for external enhancements and an extension to the existing Sainsbury's store fronting Buckingham Street has been approved subject to a section 106 planning obligation agreement. This is linked to the development of the larger, new Sainsbury's store which is proposed at Gatehouse Road, Aylesbury.

### **D11 Site for town centre redevelopment**

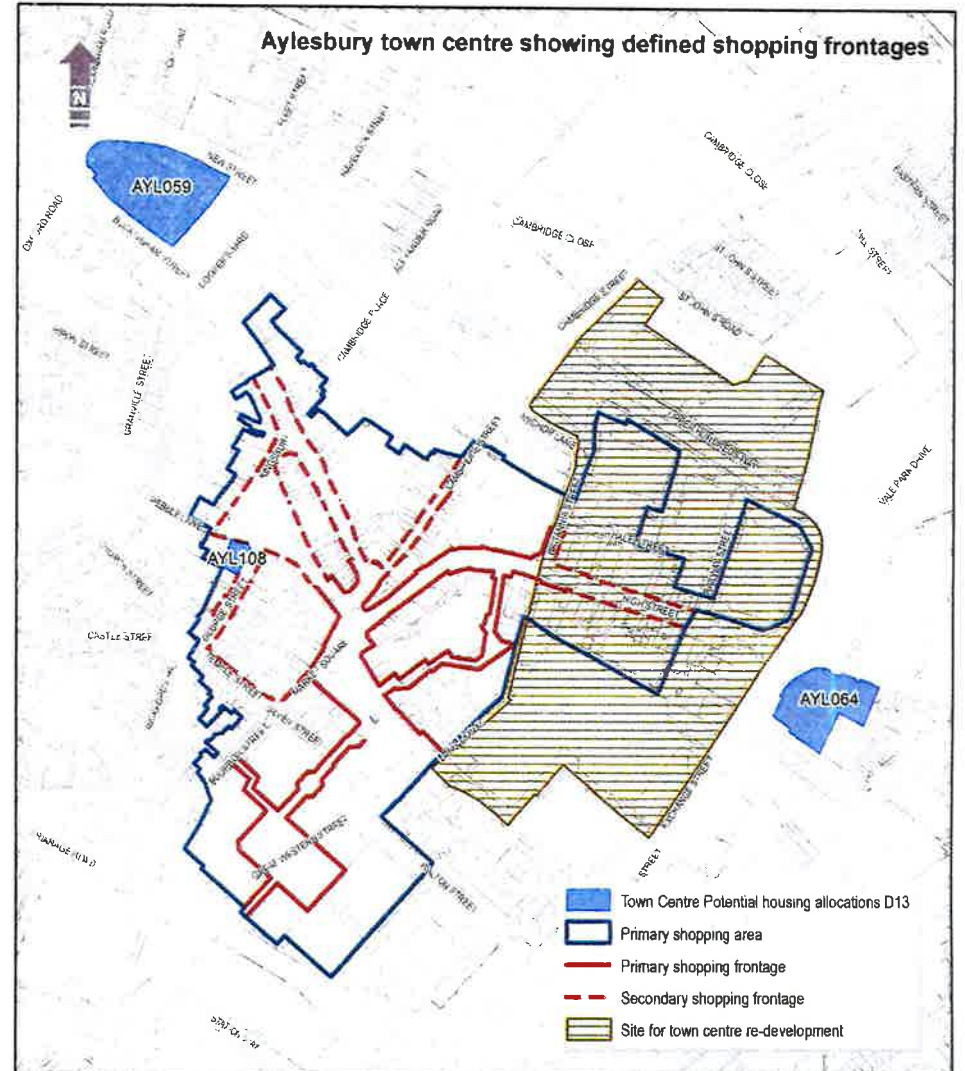
The policies map identifies a site between the Exchange Street car park and the Royal Mail sorting office (including Hampden House and Upper Hundreds car park) for mixed-use redevelopment based principally on retail uses with an element of residential and other town centre uses at an appropriate scale and location. The redevelopment scheme(s) must make adequate provision for car parking in accordance with the council's car parking strategy. Development proposals must contribute positively to meeting the vision and strategic aims for the town centre.

Aylesbury town centre and the primary shopping frontages are defined on the Policies Map (see Policy E2). Informed by the aims and objectives of the Aylesbury Town Centre Plan (2014), and the evidence in the 2015 Retail Study identifying a continuing need to improve and invest in

<sup>21</sup> Convenience stores are defined in full in the glossary but include items such as food, beverages and newspapers



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of the Local Government Act 1972.

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

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