

Public Document Pack



AYLESBURY VALE DISTRICT COUNCIL

Democratic Services

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11 December 2017

CABINET

A meeting of the **Cabinet** will be held at **6.30 pm** on **Wednesday 20 December 2017** in **The Olympic Room, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury, HP19 8FF**, 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), A Macpherson (Deputy Leader), J Blake, S Bowles, H Mordue, C Paternoster, Sir Beville Stanier Bt and J Ward

Contact Officer for meeting arrangements: Bill Ashton; bashton@aylesburyvaledc.gov.uk;

AGENDA

1. APOLOGIES

2. MINUTES (Pages 3 - 14)

To approve as a correct record the Minutes of the meeting held on 8 November, 2017, attached as an appendix.

3. DECLARATIONS OF INTEREST

Members to declare any interests.

4. CONNECTED KNOWLEDGE INVESTMENT PROPOSAL (Pages 15 - 30) Councillor J Blake Cabinet Member for Commercialisation and Business Transformation

To consider the attached report.

Contact Officer: Maryvonne Hassall (01296) 585663

5. DRAFT BUDGET PROPOSALS FOR 2018/19 (Pages 31 - 64) Councillor Mordue Cabinet Member for Resources, Governance and Compliance

To consider the attached report.

Contact Officer: Andrew Small (01296) 585507



6. CAPITAL PROGRAMME UPDATE 2018/19-2021/22 (Pages 65 - 72)

Councillor Mordue

Cabinet Member for Resources, Governance and Compliance

To consider the attached report.

Contact Officer: Andy Barton (01296) 585430

Cabinet

8 NOVEMBER 2017

PRESENT: Councillor N Blake (Leader); Councillors A Macpherson (Deputy Leader), J Blake, H Mordue, C Paternoster, Sir Beville Stanier Bt and J Ward

APOLOGY: Councillor S Bowles

1. MINUTES

RESOLVED –

That the Minutes of 10 October be approved as a correct record.

2. CONNECTED KNOWLEDGE UPDATE

Cabinet received an update (in the form of a visual presentation) on the progress made with the implementation of the Connected Knowledge strategy, which was being introduced on a phased approach. The strategy, which would be implemented over the period 2017 to 2022 and had been approved by Council in February, 2017. The strategy would enable AVDC to continue to be at the vanguard on innovative digital solutions to service delivery, leading to savings for the customer and the generation of income through consultancy services to other councils. Members were impressed with the reputation being gained by the Council in the implementation of digital technology designed to improve the customer experience and enable a more efficient service to be provided.

It was noted that further reports on the funding requirements for future phases would be submitted as part of the budget setting process.

RESOLVED –

That the Council's commitment to the strategy be affirmed.

3. REVOCATION OF THE TRING ROAD AIR QUALITY MANAGEMENT AREA (AQMA)

This item was withdrawn to enable the Council's technical officers to consider recent information received from DEFRA. It was noted that if appropriate, a further report would be submitted to a subsequent Cabinet meeting.

4. BUDGET PLANNING 2018-19

Cabinet considered a report setting out the high level issues facing the Council in developing budget proposals for 2018/2019 and in updating the Medium Term Financial Plan (MFTP).

The current MFTP for 2018/19 had been agreed by Council in February, 2017. This had predicted the need to identify £1.4 million of savings in order to balance the budget for 2018/19, based upon the information available at that time and a set of assumptions around key variables within the budget. These assumptions would be revisited and reviewed as part of the budget planning for 2018/19 and the following four years which made up the MFTP.

Local government, and most of the public sector, had been managing the consequences of the Government's balancing of the public sector funding equation over the last seven years, whilst at the same time managing the expectations of residents. With the recent General Election and the ongoing uncertainty surrounding Brexit and its impact, there had been some softening of the Government's stance on austerity. As a consequence, the Government's long term targets for balancing the budget had been extended and there had been some new funding for some nationally high profile issues.

However, it was still considered unlikely that this would have any material impact on the targets which had been set for local government for the period up to 2019/20. All indications were that austerity would continue for this sector well beyond this timeframe.

The Chancellor of the Exchequer had hinted at a landmark budget with a focus on issues such as housing growth. The Autumn budget was due to be announced on 22 November and a re-prioritising of the Government's agenda might have far reaching implications for local government. However, the Government appeared committed to the four year settlement, so core funding seemed likely to be unaffected, but there remained many other mechanisms by which local government could be affected. The tone of the report now before Cabinet was therefore still primarily focused around the delivery of efficiency savings and new income generation, as identified last year, but with an eye to the wider budgetary risks potentially facing the Council.

The report identified some of the key issues and areas that would need to be considered as part of the review and update process and set out the timetable for scrutinising and agreeing the budget and the MTFP. The proposed timetable broadly followed the same format as in previous years and this was summarised in the report.

The ongoing work of officers and Cabinet Members under the wider commercial AVDC programme meant that the process could be condensed. This should be achievable, as any strategic choices relating to the level or means of service delivery had already been debated and scrutinised throughout the year. The restructuring programme recently completed had been the single largest facet of the commercial AVDC programme during the last 12 months.

The Commercialisation programme was being delivered as an ongoing four year programme of co-ordinated works and service reviews and not as four separate annual decision making rounds. Through this approach Members would avoid being presented with multiple, unpalatable service cut choices. This also minimised the amount of decision making required as part of the annual refresh and update of the MTFP.

Government funding and the Wider landscape

The 2015 spending review had outlined a multi-year settlement offer for local authorities, which 97% of councils had accepted. The settlement for 2018/19 represented the third year. The figures contained in the settlement were as follows:-

	2016-17 £M	2017-18 £M	2018-19 £M	2019-20 £M
Settlement Funding Assessment	5.22	4.30	3.83	3.26
of which:				
Revenue Support Grant	1.57	0.58	0.00	0.00
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

In 2018/19 the Council would effectively receive no Government Revenue Support Grant. However, it would continue to receive funding from other Government allocations and was allowed to retain the business rates baseline number set out above.

The Government was currently consulting on elements of the wider settlement but had signalled, barring exceptional circumstances, its intention not to vary this key element of the settlement package. The settlement included:-

- Revenue Support Grant.
- Business Rates Tariffs and Top-up Payments.
- Rural Service Delivery Grants and Transition Grants.

Other elements of the consultation included proposals around tightening eligibility to New Homes Bonus and the Government's proposals for Council Tax Referendum Principles in 2018/19.

Council Tax

The Government had signalled its intention to hold the broad referendum principles from the last two years. Specifically for Districts, this meant a maximum of 2% or £5 whichever was the greater. Aylesbury Vale had chosen to increase Council tax by £5 last year, the maximum possible, representing an increase of 3.59%. The MTFP assumed a further increase of £5 in 2018/19, representing an increase of 3.47% in that year.

Against a backdrop of increasing inflation, a 2% increase was increasingly looking low and the Government would come under pressure from the sector to set a threshold which at least kept pace with the real growth in costs. Inflation was currently 2.8% as measured by CPI and 3.9% using RPI, with concern that currency weakness might push this still higher. The assumptions around the proposed increase in Council tax would be tested as part of the budget development process.

In relation to Town/Parish Councils, the consultation had stated that it expected to see clear evidence that these bodies were exercising restraint. It seemed unlikely, given the Government had thus far resisted implementing controls on this tier, that it would introduce them this year.

New Homes Bonus (NHB)

Last year the Government had consulted on "sharpening the incentive" which had resulted in the introduction of a growth baseline target which needed to be exceeded in order to attract NHB, and a reduction in the number of years for which the Bonus was paid from 6 years to 5, to 4 years in 2018/19. The Government had held back from imposing some more radical changes, but had promised to keep these under review.

This year, the consultation was seeking to revisit these. The areas of main concern were proposals to increase the base level and to withhold NHB where development was permitted on appeal.

The Council had responded to the consultation, highlighting that even councils committed to housing growth would sometimes need to reject applications where they were opportunist and where they were inconsistent with the location of growth in the local neighbourhood plans, or with the provision of infrastructure. The Council was keen to support residents' wishes enshrined in neighbourhood plans and the consultation proposals were a financial disincentive to do this.

The Council was still holding a considerable reserve of NHB funds against commitments awarded out of previous allocations. The budget proposals would need to consider how expected future allocations might be utilised, but given uncertainty over the changes the Government might implement, it would need to be more cautious over what future commitments it proposed to enter into.

Business Rates Pooling and 100% Retention

From 1 April, 2013, Government Grant was now made up of two elements – Revenue Support Grant and Retained Business Rates. The system of Business Rates Retention allowed Councils to benefit (or lose) from changes in the amount of business rates collected in their area and thus each council would be incentivised to promote economic expansion.

The Council's ability to gain from business rates growth was limited in practice, but it still generated some tangible gains over the four years that the current system had been in place.

Appeals against the amount of business rates payable continued to present an issue. Thus far, these appeals had been successfully managed through an appeals provision. However, appeals against a number of the largest properties in the Vale were still unresolved and therefore presented a potential risk. The current assumption was that these could be managed within the existing appeals provision but this would need to be kept under review.

The revaluation of all business rates had taken place on 1 April 2017 and, as had been predicted, this had impacted some groups of businesses within the Vale. The Government had announced funding for discretionary relief for small businesses and pubs, and this relief had been designed into the local scheme and had been distributed.

In 2016/17, Aylesbury Vale had entered into a business rates pooling arrangement with Bucks County Council, Bucks Fire and Rescue, Chiltern District Council and South Bucks District Council. This allowed the pool to retain a proportion of business rates growth which would normally be paid to the Government. Across Buckinghamshire this had resulted in a pooling gain in excess of £1million during 2016/17 and this had been distributed amongst the partners in accordance with a memorandum of understanding signed by each of them. In anticipation of a further gain, the pool had opted to continue the arrangement into 2017/18. It was proposed to continue again for 2018/19.

The Government had consulted last year on proposals to allow local government to retain all business rates growth. This had resulted in a set of detailed and complicated proposals which it had intended to take through the Parliamentary process. However, the General Election and the resultant change in the Government's overall majority had meant that the Government no longer considered progressing the full proposals as one of its priorities. However, the Government remained committed to the concept and it was piloting ways in which to achieve the broad ambitions of its policy intention without the need for primary or secondary legislation.

As part of the settlement process for 2018/19 the Government had sought expressions of interest in acting as one of the pilots. There were a number of existing pilots in operation, mainly around the mayoral based combined authority deals. The DCLG was now keen to widen the pilots to include two tier areas.

As part of any submission, the Government wanted to see a focus on functional economic areas, with business rates retention being seen as a means to deliver

economic growth in these areas, as well as dealing with local government sustainability considerations.

Buckinghamshire was made up of more than a single functional economic area with twin focuses, looking north and south. Aylesbury Vale had a strong economic focus towards the SEMLEP geographical area and this was supported by the Government's promotion of the East-West Corridor. Aylesbury Vale featured prominently in the central area of the corridor and business rates growth was seen as an important funding mechanism in terms of infrastructure delivery.

As a purely Buckinghamshire focused pilot would detract from progressing a wider retention proposal, and because of the narrow bidding window, no submission had been submitted. The time gained would be used to try to develop a wider area proposal in time for any future pilot opportunities.

Inflation and Pay

The MTFP agreed in February 2017 had been based around a number of assumptions on inflation and pay, having regard to the economic trends at that time. In practice, the looming Brexit was having unpredictable effects on the economy as markets reacted to the uncertainty this issue was causing. Much of this would be determined and resolved by the Government's final agreed approach to exit from the European Union. It was still far from clear as to what kind of agreement the Government could achieve or how global markets would react to this.

For now, it appeared that continued uncertainty would weaken the pound and push inflation higher in the short term. Seemingly, this would now hasten higher interest rates. However, the situation was volatile and provided an uncertain environment in which to plan. This would need to be kept under review, but it seemed unlikely that any great clarity would emerge during the Council's budget planning cycle. It therefore seemed probable that this would become one of those issues that would necessitate continual review and a higher level of contingency.

Last year the Staff Side and Trade Unions had agreed a two year pay settlement with 1% being awarded in the current year and 2% in 2018/19. This agreement had been built into the MTFP assumptions. The Council had also committed to a pay review and work was continuing on this. The results would need to be considered in the context of budget planning and the consideration of budget pressures.

Brexit

Officers continued to keep a watching brief on negotiations. The practical implications were however extremely difficult to assess at this stage because of the uncertainty around terms. The Council did not receive any direct funding from the European Commission. However the indirect impacts were hard to anticipate. The Council had relatively few direct employees from the EU, and so the situation was not of such significance as for those councils that had care responsibilities. However a number of this Council's contractors did rely on EU employees and this might put pressure on future contract costs.

The impact of workforce availability, tariffs, exchange rates and borrowing might all potentially push prices up. This would be reflected in the headline rates of inflation. Currently there was some upward pressure in this respect, but this was mainly the result of uncertainty. Once there was more clarity in relation to the exit terms, there might be additional costs as the market digested these and priced them in.

The Council now received a proportion of all business rates collected in the Vale. Brexit would certainly have some impact on local businesses, but this was hard to determine at this point. Businesses might choose to relocate within the EU or import tariffs might make UK production more attractive to the domestic market. There might be business rate losses or gains depending upon the nature of the final agreement. However, it seemed probable that whatever the actual impact turned out to be, its full implications would not truly be determined for a very long time. Brexit would remain a consideration for at least the length of this MTFP.

AVDC Commercial Interests

The Council now had a number of commercial holdings, each at different stages of maturity. In line with the overarching governance approach adopted by Council earlier this year, each of these interests would present an annual business plan for consideration and scrutiny alongside the budget development process. The financial implications of the agreed business plans would be reflected in the developing budget.

Commercial AVDC

The Council's approach to balancing its finances over the period of the MTFP had been based on the Commercial AVDC Programme.

In summary, the Programme had been developed as the response to addressing the budget challenges following changes to Government funding and the desire to develop a more commercial response to the delivery of services (traditional and new) for existing and new customers. A programme of continual change and innovation had been put in place over recent years, with the last year being largely focused on a complete top to bottom rebuild of the internal structures of the Council, as well as the delivery of key innovations in service delivery.

During the last twelve months the Council's most valuable asset – its staff – had been put through a behavioural led process to ensure that the Council was fit for the future. At the same time, the Council had completely rebuilt the structure and all roles had been developed to fit with the behaviours and the more commercial approach to business. As far as could be ascertained, AVDC was the first Council to undertake this type of programme whilst at the same time redesigning and recruiting its entire staff and keeping services running seamlessly. The following headlines were of particular note:-

- Delivery of a newly designed business delivery structure fit for the 21, aligned to commercial behaviours making the Council fit for the future and ready to address the other issues set out in the MTFP.
- Exceeding the £6million target set for the programme by 2020 – achieving £2.2million in 2017/18 and delivery of £3.8million by 2021.
- Head count reduction from 471 to 426 (approximately 10%).
- 250 of the above roles had been filled by existing staff, (drivers and loaders had undertaken a different development behavioural process and were excluded from this figure). This had left 110 roles to be filled externally (around a third of all posts in the new structure, excluding loaders and drivers).
- Aylesbury Vale had managed to attract a very high calibre of applicants externally, including applicants from local government, other public services and the commercial world. This indicated that the programme overall was

succeeding in bringing a more commercial mind set and approach to the Council's activities.

- To date, 88 individuals had left the Council during the course of the Commercial AVDC Programme, comprising 25 settlements, 38 voluntary redundancies, 23 compulsory redundancies and 2 resignations. Settlement/redundancy payments had been in excess of £2million and the cost of the behavioural assessments and accompanying programme had cost in excess of £1million. It was however expected that these measures would lead to ongoing salary savings of £2million p.a., representing a pay back of approximately 1.5 years.
- The new structure meant that AVDC had a fit for purpose workforce that would enable the Council to operate within its means, although there would continue to be cost pressures.
- The equalities statistics for the workforce remained broadly the same post restructure, with an overall reduction in all age groups (small increase in 31-40). Ethnicity and disability percentages were broadly the same, with the Council's gender profile also broadly similar, although there had been a slight growth in the number of female employees in senior management roles.
- Additional benefits of the restructure had already been proved, e.g., increased flexibility within the senior structure to re-allocate responsibilities and projects, the opportunity to have amore commercial focus across all sectors which should increase income streams and clarity on development requirements, recruitment branding and succession planning.

During this time the Council had also achieved a number of significant achievements exhibiting the commercial approach:-

- The first Council to deliver comprehensive and delivery focused Alexa voice skills, enabling new ways for customers to interact with the Council.
- The first public body (as far as could be ascertained) to pilot artificial intelligence to assist with handling customer enquiries, freeing up time to spend with those customers who need personal attention.
- Through the Vale Lottery, the Council had generated around £80,000 worth of new income for communities in Aylesbury Vale, as well as the delivery of seven lotteries across the country. This had increased income for AVDC, whilst also helping the wider sector and 173 communities across the country to raise funds for their areas.
- Organising and speaking at numerous conferences sharing AVDC best practice and that of the Council's partners and colleagues, as well as providing consultancy services to other public service providers enabling them to work in a more commercial way, whilst delivering income to the Council.
- The Council had moved more customer fulfilment functions onto the Salesforce platform, thereby helping staff to provide customers with a better, more efficient and faster service, and reducing complex IT legacy systems.
- The Council was midway through building "The Exchange", a new restaurant and residential development in Aylesbury town centre, and had agreed a £100million commercial property investment strategy. These, along with the Council's other

strategic commercial assets would enable the Authority to continue to support its aims over the medium and long term.

- The Council was part way through the building of a new depot at Pembroke Road, Aylesbury, and was on target to launch the commercial workshop later in 2018.
- The waste team would be retiring the old HGVs and bringing in a new fleet that would be built to the latest EURO6 emission standards. This would improve emissions for the 500,000 miles the fleet travelled each year and would reduce fuel consumption as well.

Connected Vision

In 2018/19, it was proposed to build upon the progress and achievements already made, focusing on ensuring the long term delivery of public service. Work had commenced on bringing together the different strands of the Commercial AVDC Programme and other external and internal objectives into a single statement of objectives. This had been termed “Connected Vision”.

In developing Connected Vision, there had been no attempt to challenge the already clearly set objectives of the Council, namely “To secure the economic, social and environmental wellbeing of the Vale”. However, what had been finessed over recent months was the mission i.e. the driver of how the vision would be delivered. The mission as part of Connected Vision was “...to make AVDC the best social enterprise business in the UK – providing world class support for those who need it”.

A social enterprise was an organisation that by selling goods and services in the open market, could re-invest the money it made back into its business or the local community. This allowed it to tackle social problems, improve people’s life chances, support communities and help the environment. This approach added to the direction the Council was taking in terms of commercialisation, but not for its own sake, rather with an end of achieving social improvement and wellbeing of residents, businesses and environment.

The Connected Vision document sought to bring all the existing strands of work together in an attempt to demonstrate how they nested within the Council’s wider vision and the milestones which would need to be passed on the way in order to ensure its achievement. This would help with the understanding of where individual actions sat and how they inter-related. It would also help the organisation manage and direct its resources in the delivery of the vision.

The Connected vision had been expressed in a number of themes which created a framework for the delivery of the wider vision. The four themes were:-

- Financially fit (ensuring that the Council had the funds to fulfil the vision and use them wisely).
- Customer focus and innovation (ensuring that the customer was at the heart and that the Council continued to innovate for them).
- Community focused (ensuring that the Council delivered for the community at large).
- Commercially minded (ensuring that the Council fulfilled the overall social enterprise model).

These aims did not diverge from the existing direction. Clarification in this way helped to ensure that the organisation was better aligned as well as being clear about why it was developing in this way. It was intended to publish a Connected Vision update annually, communicating progress at appropriate intervals. The first iteration of this was submitted in diagrammatic form. More detail on the monitoring and reporting framework behind Connected Vision would be published at the beginning of the new financial year.

Connected Knowledge

In January, 2017, the Council had considered a technology strategy known as “Connected Knowledge”. This had been endorsed as the right direction of travel for improved customer services and the main driver for efficiency over the next five years.

As part of the budget process, an initial allocation of funding had been awarded to progress the first year’s work. This had been accomplished by undertaking to provide a progress report towards the end of the first year. Dependent upon this, authority would be sought for a further tranche of funding once the scope and costs of the next stage had been clarified.

Connected Knowledge had been designed to be the catalyst for technological innovation and change, thereby propelling the organisation into the future. The programme was intended to support the Council with the necessary tools, policies, people and environment that would further enhance the commercial mind set and company culture. The Council was already widely acknowledged as championing this agenda within the public sector. Connected Knowledge built upon the advances made over the previous five year cloud strategy.

This strategy and the accompanying road map had been set out in the guiding principles and objectives. The key achievements included:-

- The creation of the Connected Knowledge platform – a platform of integrated data and intelligent systems enabling properly integrated and automated transactions for all the Council’s customers.
- The introduction of artificial intelligence (AI) and AI powered voice control, which over time would serve increasingly complex customer demands. The Council viewed the future as an integrated world, with staff, customers and partners all engaging with the digital technology to deliver the Council’s strategy.
- Being 100% cloud software based, meaning a simplified lower maintenance information communication and technology landscape.
- A more strategic approach to what the Council did, the services it provided, who the Council worked with and what the Council bought.

In the MTFP the Connected Knowledge programme represented a major area of investment as the driver of a significant element of the planned efficiency savings across the next four years. It was intended to provide a detailed update on the programme to Cabinet in December, alongside the initial budget proposals.

Council Tax Base

The tax base was a measure of the number of households which were liable to pay council tax in the area in a given year. The tax base also took into account the banding (size) of the property and the entitlement to discounts.

With the growth of the Vale over recent years the tax base had increased above its historic growth trends, resulting in more council tax being collected. Whilst useful, in terms of the additional council tax generated, the reality was that the housing growth which had resulted in the tax base growth often contributed to more cost by way of demands for infrastructure and services.

It was estimated that the combination of these factors would result in actual tax base growth of just below 2% (1.97%) in 2018/19, compared to the existing 1% assumed in the MTFP. This was a slight reduction from the 2.4% achieved in 2017/18.

Capital Planning and the Impact of Spending Decisions

The revenue financing implications arising from the decisions taken by Council over the past few meetings, such as the property investment strategy and schemes at Silverstone, would now need to be factored into the budget for 2018/19 and beyond. This, along with the impacts of any other new decisions, would also need to be modelled alongside the position on capital resources.

The Capital Programme would be considered in a parallel process to that of revenue budget development and the revenue impacts of any funding decisions taken would need to be considered and built into revenue planning as part of the approval process. Where the Council had held spare cash balances, it had been used in lieu of borrowing. This had reduced the need to take long term borrowing and the Council had received the lender's return.

Utilising spare cash in this way was especially advantageous during periods of low interest rates. It was generally predicted that the Bank of England would begin to increase rates during 2017, but this was still heavily dependent on external factors and any increase was likely to be small and gradual. An increase in interest rates had recently been announced by the Bank of England.

The impact on investment income, the cost of borrowing and the returns from savings from investment decisions had therefore to be considered together in order to understand the actual effects of these decisions. The final impact of completed and planned investment decisions were still being modelled and would be set out in more detail in subsequent reports.

Process for Resolving the Budget for 2018/2019

As had been highlighted in previous years, the Council's strategy for balancing the budget had been an ongoing process and not an annual exercise purely undertaken at this time of the year. This had been driven by a desire to balance the budget through reorganisation, efficiency and income generating strategies already set in motion and without the need for a crude or simplistic cuts exercise.

The reorganisation recently completed and the Connected Knowledge Programme were both central elements of this approach. It was therefore proposed to continue to work on refining the budget, making assumptions about the range of outcomes and aiming for the worst case scenario where appropriate.

The Council had working balances broadly in line with its stated minimum. These allowed the Council to drive forward and invest in new savings initiatives with confidence. Balances (adding to or use of) were likely therefore to form part of the strategy for concluding the balancing of the budget for 2018/19.

As had been identified, the focus remained on restructuring and new income generation and not upon lists of potential cuts. If a specific proposal required a Cabinet decision or Scrutiny consideration, it would have already been taken through the democratic process at the appropriate time, or be separately identified for debate as part of the budget development process. This again would make the process lighter and should avoid the need to take lists of potential service cuts through the Scrutiny Committees. The initial budget position would be presented to Cabinet in December and would be the subject of scrutiny by the Finance and Services Scrutiny Committee.

RESOLVED –

That the approach proposed for developing the budget for 2018/2019, as set out above and for finalising the Medium Term Financial Plan, be endorsed.

Cabinet
11 December 2017

CONNECTED KNOWLEDGE INVESTMENT PROPOSAL

Councillor Mrs Blake

Cabinet Member for Commercialisation and Business Transformation

1 Purpose

- 1.1 The purpose of this document is to present the investment proposal for Phase 2 for the delivery of Connected Knowledge (CK) strategy starting in April 2018. The full Connected Knowledge Technology Strategy 2017-2022 was agreed at the Feb 2017 Council meeting, and Phase 1 funding was agreed in May 2017. It is still proposed that the strategy is implemented in a phased manner which will give the opportunity for the inevitable learning from the early phases. The phase 1 progress was presented in November 2017, and it is envisaged that phase 2 will also be presented back 6 months after kick off in April 2018.
- 1.2 In line with the original recommendation that a further set of funding would be required this paper sets out the information to support a decision to approve the funding for the second phase based on presentation of both the costs and expected benefits to be achieved.

2 Recommendations/for decision

- | |
|---|
| <ol style="list-style-type: none">2.1 Cabinet is recommended to include within its budget proposals to Council provision for £1.53 million from the unallocated balance of 2017/18 New Homes Bonus funding for the investment specified in Section 1.0 of Appendix B. This funding being required so that work can continue on delivering a leading edge, forward thinking platform to enable AVDC to develop customer first processes, a streamlined internal operation and a framework for increased opportunities for external commercial sales. |
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3 Executive summary

- 3.1 The delivery of the Connected Knowledge strategy is central to enabling AVDC to continue to make savings in the delivery of services, to remain at the vanguard of innovative thinking and to the delivery of excellent Customer Service. It also provides the opportunity to generate income by both supporting general commercial opportunities and also by providing consultancy services to other Councils keen to emulate the approach being taken by AVDC.
- 3.2 The strategy will be delivered over a 5 year period, with benefits being achieved in a phased manner. The first phase of this programme is coming to an end and this paper provides an update on phase1 achievements and covers the delivery of phase 2 to the end of 2018 financial year. Inevitably there will be valuable learning from the first phase which has been factored in to the proposals for future phases. An update was provided to Cabinet in November 2017, and a request for further funding will be taken to Cabinet, Scrutiny and Council in December 2017 and January 2018.
- 3.3 AVDC continues to have a good track record of delivering large scale, strategic programmes of this type. The Commercial AVDC, 'Right Here Right Now' and Phase 1 of the Connected Knowledge Programme are leading edge, high profile, transformation programmes that have been successfully delivered.

- 3.4 The focus on the customer and staff experience, the culture of innovation, the leaning of processes, the security of the data, and the exploration of new technologies are all part of the forward thinking approach to change the council model and become more commercial.
- 3.5 Phase 2 requires investment across these three key areas
- Innovation - the introduction of innovative new solutions such as voice recognition and artificial intelligence for call handling and decision making
 - Transformational - the rollout of internal process automation and customer self service
 - Legacy reduction - the removal of legacy technology and introduction of more flexible systems that will further support integration of data to enable customer needs to be anticipated.
- 3.6 Experience in previous major change programmes indicates that strong governance processes are required both to ensure that the programme delivers on time and to budget and that any variations to scope (and cost) are closely scrutinised, appropriately approved and that benefits realisation is tracked.
- 3.7 The release of the funds during the programme (and the benefits realisation) will be closely monitored by the governance board to ensure ongoing value for money. With any major change programme of this type there will be inevitable changes as circumstances change, lessons are learned and customer needs evolve.

4 Supporting information

- 4.1 Details of the full Connected Knowledge Strategy can be found on the AVDC website.
- <https://www.aylesburyvaledc.gov.uk/technology-strategy>

5 Resource implications

- 5.1 A programme of this size, scale and complexity requires dedicated people to ensure focus on delivery is maintained throughout the lifecycle and ensuring successful programme delivery. Specifically;
- Programme Manager (1) – To manage, and control, the overall programme and the outcome it delivers.
 - Project Managers (4) – To deliver individual projects, outputs, within the programme. It is envisaged that one of these will be a senior project manager.
 - Business Analysts (3) – To complete detailed analysis into current process(es), costs, technology solutions and resources. To assist in project delivery.
 - Data Scientist (1) – To complete detailed analysis into the data ADVC currently has, to match to external data sources, to identify potential improvements or opportunities. To assist in project delivery.
 - AVDC staff (if/where available) will be used to fill programme roles and will be supplemented by external resource where a) there is insufficient

internal resource, b) there is a requirement for a specific skillset which is not available internally within AVDC. Project support resource will need to be provided.

- Additional [non dedicated] resource will also be required from other internal teams such as Communications and Marketing, Project office support, Sales, Finance, Legal.
- 5.2 Member involvement will be essential to assist with the direction and benefits realisation of the programme.
 - 5.3 Further resourcing details can be found in Appendix B.
 - 5.4 The total investment funding required in 2018/19 is calculated as £1.53 million.
 - 5.4 The Connected Knowledge strategy is central to the many of the efficiencies that the Council is trying to deliver in order to balance future budgets and produce a financially sustainable, customer focused organisation in the face of a growing customer base.
 - 5.5 Whilst the whole programme is designed to achieve efficiencies and reduce costs, these savings are required to balance future budgets and can therefore not be used to support the capital borrowing that would be required to enable this programme to continue.
 - 5.6 It is therefore proposed that part of the currently unallocated 2017/18 balance of New Homes Bonus is allocated to fund this programme through 2018/19 as, if successful, the programme will be vital to the delivery of a financially sustainable council, able to serve the needs of a growing community.
 - 5.7 If agreed, part of the programme of works proposed here includes meeting the new data handling compliance requirements associated with the European General Data Protection Requirements (GDPR) directive. Some of this is new cost to the Council and sits outside of the efficiency work. The revenue cost of this is estimated at £100,000 per annum and a pressure has been included in the draft Budget proposals also include on this Cabinet's agenda.

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Background Documents

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Connected Knowledge

Technology Strategy 2017-2022 Delivery

Phase 2 Investment Proposal

Appendix A

Version: 2.0

Date: 28th Nov 2017

Authors: Maryvonne Hassall

Andrew Small

1.0 Purpose

The purpose of this document is to present the investment proposal for Phase 2 for the delivery of Connected Knowledge (CK) strategy starting in April 2018. The full Connected Knowledge Technology Strategy 2017-2022 was agreed at the Feb 2017 Council meeting, and Phase 1 funding was agreed in May 2017. It is still proposed that the strategy is implemented in a phased manner which will give the opportunity for the inevitable learning from the early phases. The phase 1 progress was presented in November 2017, and it is envisaged that phase 2 will also be presented back 6 months after kick off in April 2018.

In line with the original recommendation that a further set of funding would be required this paper sets out the information to support a decision to approve the funding for the second phase based on presentation of both the costs and expected benefits to be achieved.

2.0 Recommendations

1. That the investment specified in Section 1.0 of Appendix B be approved and funded so that work can continue on delivering a leading edge, forward thinking platform to enable AVDC to develop customer first processes, a streamlined internal operation and a framework for increased opportunities for external commercial sales.

3.0 Executive Summary

The delivery of the Connected Knowledge strategy is enabling AVDC to continue at the vanguard of innovative thinking, delivering excellent Customer Service, and making savings in delivering services. It provides the opportunity to generate income by both supporting general commercial opportunities and also by providing consultancy services to other Councils keen to emulate the approach being taken by AVDC.

The strategy will be delivered over a 5 year period, with benefits being achieved in a phased manner. The first phase of this programme is coming to an end and this paper provides an update on phase 1 achievements and covers the delivery of phase 2 to the end of 2018 financial year. Inevitably there will be valuable learning from the first phase which has been factored in to the proposals for future phases. An update was provided to Cabinet in November 2017, and a request for further funding will be taken to Cabinet, Scrutiny and Council in December 2017 and January 2018.

AVDC continues to have a good track record of delivering large scale, strategic programmes of this type. The Commercial AVDC, Right Here Right Now and Phase 1 of the Connected Knowledge Programme are leading edge, high profile, transformation programmes that have been successfully delivered. The focus on the customer and staff experience, the culture of innovation, the leaning of processes, the security of the data, and the exploration of new technologies are all part of the forward thinking approach to change the council model and become more commercial.

Phase 2 requires investment across these three key areas

- Innovation - the introduction of innovative new solutions such as voice recognition and artificial intelligence for call handling and decision making
- Transformational - the rollout of internal process automation and customer self service

- Legacy reduction - the removal of legacy technology and introduction of more flexible systems that will further support integration of data to enable customer needs to be anticipated.

Experience in prior major change programmes indicates that strong governance processes are required both to ensure that the programme delivers on time and to budget and that any variations to scope (and cost) are closely scrutinised, appropriately approved and that benefits realisation is tracked.

The release of the funds during the programme (and the benefits realisation) will be closely monitored by the governance board to ensure ongoing value for money. With any major change programme of this type there will be inevitable changes as circumstances change, lessons are learned and customer needs evolve.

4.0 Background

AVDC’s success in delivering our previous five year ‘cloud’ strategy (storing and accessing data and programmes over the internet rather than on local hard drives and servers) has been recognised in the local government world with many other councils looking to emulate the changes made by AVDC and in the winning of a number of awards.

The advances we have made have created a strong foundation for the next five years, enabling us to think bigger and more creatively about the challenges and opportunities and how we are best positioned to benefit from them.

Our customers (residents, businesses, parishes, members, staff) continue to make more use of the internet and expect the council to be able to deliver on line services that deliver real value. Internet usage has increased across all age ranges, and access to internet services has improved.

Internet usage is on the increase



Data provided by Office for National Statistics (ONS)

Councils can gain significant benefits by shifting from traditional and expensive channels to ones that allow the citizen to self-serve.

5.0 Connected Knowledge (CK) Programme

The programme consists of a number of projects which build on previous deliveries to enable AVDCs future vision of improved access to services, and increased levels of customer self service, through the use of better technology.

The programme will enhance customer experience and deliver solutions which underpin a flexible, modern working environment. It will streamline IT within the council, resulting in a reduction in the number of applications and associated licencing and support costs.

It will also deliver the technology service which delivers significant savings and is required to support the councils future commercial ambitions.

It will enable AVDC to move away from reliance on proprietary IT services such as Microsoft's Windows system and to a service which enables staff and Customers to access services using any device using a web browser.



5.1 Phase 1 Delivery

Phase 1 has delivered a series of projects and has raised the council's commercial profile by showcasing our innovative deliverables and transformational processes.

The programme is delivering

- the first council to have an Alexa skill
- use of Artificial intelligence in customer services
- a new corporate network with improved resilience
- a new public wifi network with capacity for staff usage
- new licensing and environmental health system on an integrated platform
- new building control system on an integrated platform



- new planning and land charges system on an integrated platform
- more resilient Revenues and Benefits system

The following benefits have been delivered

- reduced processing time by staff in areas such as customer fulfilment
- improved online services for customers
- voice activated services which improves accessibility for customers
- improved customer access with webchat
- reduced loss of working hours due to systems outages
- office footprint reduction enabling floor space letting opportunities

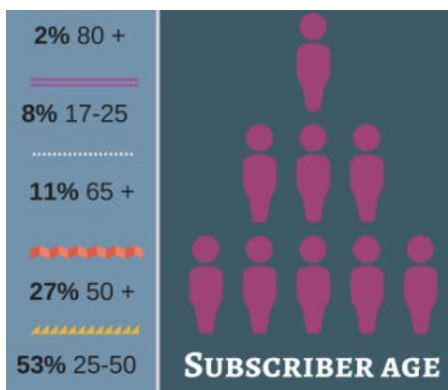
Commercial opportunities

- Increased interest in commercial council offerings
- Hosted a Digital By Design conference in June
- Engaged with multiple councils
- Presented Digital journey at Conferences such as Socitm, AWS Transformation Day, Council of the Future, AI / Bots, Nesta

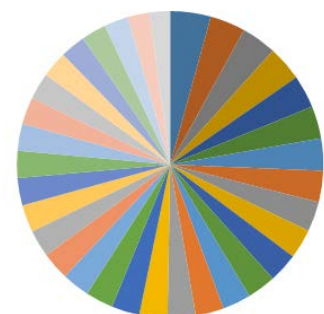


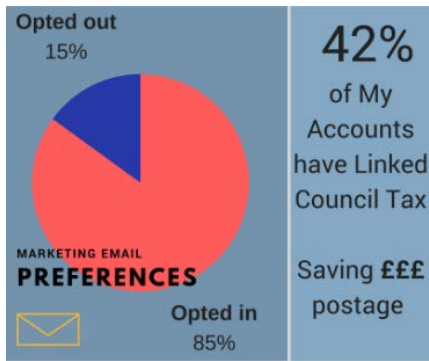
5.2 MyAccount Results so far

This section shows the results of the analysis of the current MyAccount. The information is designed to be representative at a snap shot in time as the information continually changes. The MyAccount data has been correlated against the Acorn socio demographic data which has shown the profile of accounts to be representative of the cross section of population across the Vale. The number of MyAccount users continues to rise. As at November 2017 there were 46,000 accounts. The usage of MyAccount has increased, with more people logging in more often. Usage is spread across the age groups and across the Vale.



% of population across the Vale using MyAccount (shown right). Each ward is represented by a different colour. The segments are roughly equal in size representing the fact that at the MyAccount usage per ward as a percentage of population is roughly equal.

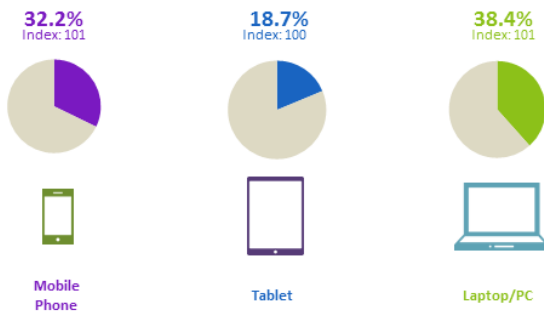




The majority of the MyAccount residents have not opted out of marketing which suggests this would be a good platform for future marketing activity. There are also a significant number of residents who have linked to their council tax record which is more convenient for the resident and saves the council money.

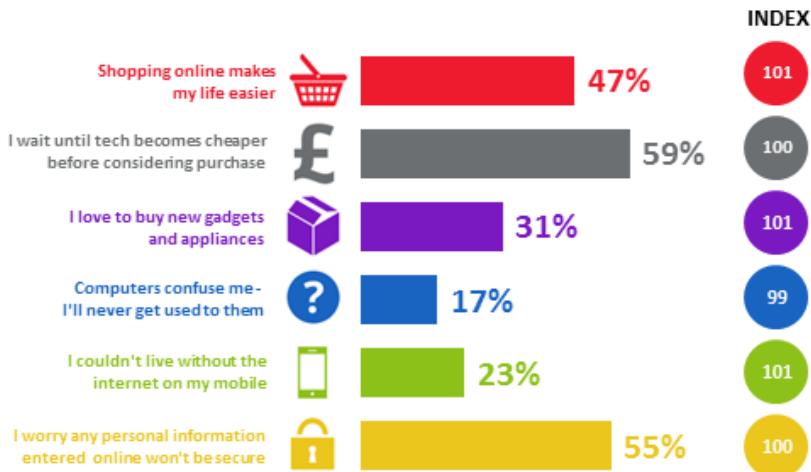
In terms of device types and use of Digital the following two graphics represent the MyAccount residents across the Vale.

SOCIAL NETWORK DEVICE TYPE



DIGITAL & SOCIAL MEDIA

ATTITUDES



5.2 Phase 2 delivery elements

Phase 2 will build on phase 1 and will deliver a further series of projects and initiatives.

Phase 2 will deliver

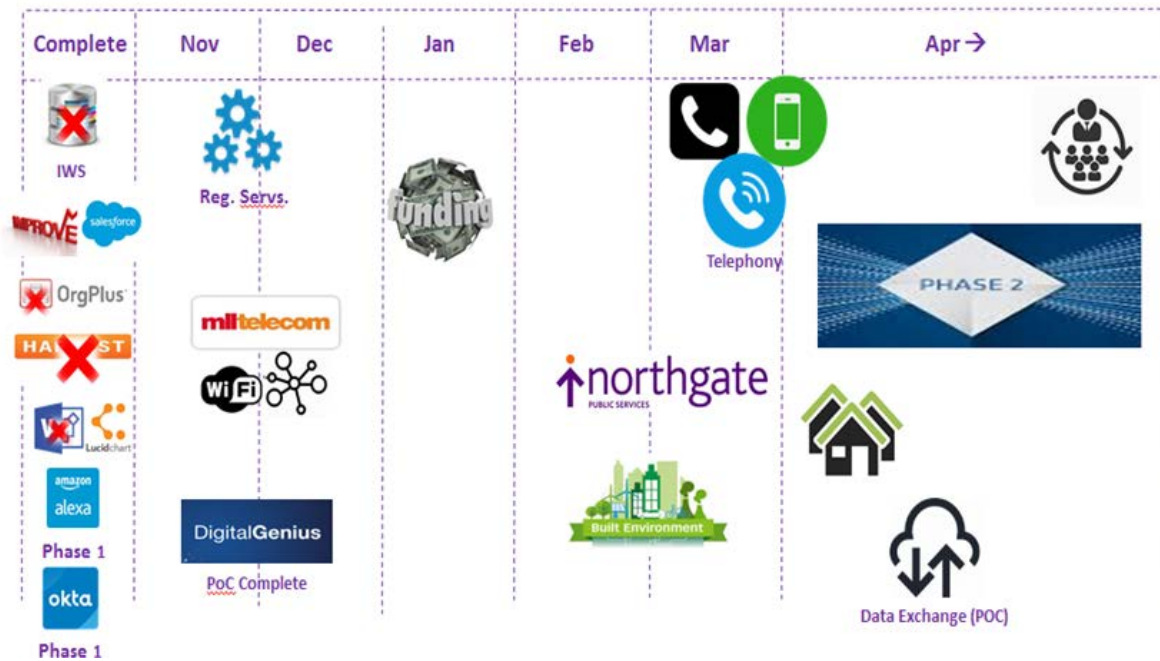
- Further voice controlled services for customers
- Improved MyAccount functionality based on customer insight and targetted marketing
- Improved waste management services based on common platform
- Improved financial processes
- More on line booking services
- Enhanced data protection
- Improved staff systems
- Improved connected working for staff

The following benefits will be delivered

- increased breadth and depth of on line services for customers leading to increased self service
- further reduction in processing time by staff in areas such as customer fulfilment
- voice activated and artificial intelligence services which improves customer accessibility
- improved staff connected working to allow greater agility
- improved systems resilience leading to less downtime and greater staff productivity

6.0 Timescales

Connected Knowledge 2017/2018 Roadmap



Phase 2 Key Milestones [indicative timescales]

Dec 2017 – Cabinet

Jan 2018 – Scrutiny and Cabinet and Council

Feb 2018 - Detailed planning work

Mar 2018 – Mobilisation of team

April 2018 – Phase 2 commences

7.0 People Required to implement the Strategy

A programme of this size, scale and complexity requires dedicated people to ensure focus on delivery is maintained throughout the lifecycle and ensuring successful programme delivery.

Programme Manager (1) – To manage, and control, the overall programme and the outcome it delivers.

Project Managers (4)– To deliver individual projects, outputs, within the programme. It is envisaged that one of these will be a senior project manager.

Business Analysts (3) – To complete detailed analysis into current process(es), costs, technology solutions and resources. To assist in project delivery.

Data Scientist (1) – To complete detailed analysis into the data ADVC currently has, to match to external data sources, to identify potential improvements or opportunities. To assist in project delivery.

AVDC staff (if/where available) will be used to fill programme roles and will be supplemented by external resource where a) there is insufficient internal resource, b) there is a requirement for a specific skillset which is not available internally within AVDC. Project support resource will need to be provided.

Additional [non dedicated] resource will also be required from other internal teams such as Communications and Marketing, Project office support, Sales, Finance, Legal.

Member involvement will be essential to assist with the direction and benefits realisation of the programme.

Further resourcing details can be found in Appendix B.

8.0 Programme Governance

The programme governance has been set up as part of Phase 1 and currently takes the following form. It is envisaged that this governance framework will continue.



The existing Strategic Board will be reported into on a quarterly basis.

The programme board will meet monthly and ad hoc as required, and will be comprised of senior members and Officers from both AVDC and our senior delivery partner.

The board will have overall responsibility for the success of the Programme to deliver the strategy and ensure that the promised benefits of the programme are fed back into the wider Council. Fundamentally the Programme Board will ensure that the right things are done in the right way at the right time and that risks to the programme are being appropriately managed at all times. Specifically the board will:

- ensure that a comprehensive risk register is established and maintained and that risks are managed appropriately at all stages of the programme.
- agree and approve the overall programme delivery plan.
- allocate project budget and tolerances
- agree any overspend over project tolerance
- ensure that controls and processes are in place to ensure that promised benefits from the programme are
- review progress reports from all ongoing projects
- approve projects for inclusion into the pipeline
- agree gain share credits with the supplier for each projects, and the mechanisms for their applications
- receive reports on sales activities and sales pipeline
- resolve all issues arising or escalated to the board
- approve annual gain share amounts, following reports / audits as appropriate commitment.

The role of the board, and individuals on the board, will be further defined as part of the Programme mobilisation.

The programme board will report into the AVDC Strategic Board and will be supported by the central AVDC Project Management Office.

9.0 Costs, Benefits and Funding

See also Appendix B.

The majority of the investment is required to be spent in 2018, with the bulk of [cashable] benefits being delivered from year 2 onwards.

Benefits will be realised, primarily, via the following:

- [Reduction in headcount] due to the automation of processes
- Reduction of operational IT costs: licences, system retirement, desk phones, , amazon web services, general maintenance
- Reduced office footprint for AVDC staff as a result of modern, flexible working which enables rental of office space to third parties to generate income
- Commercial income: Commission from suppliers selling services based on AVDC expertise
Conferences, Consultancy provided by AVDC to other organisations.

It is worth noting that there are a number of [non-cashable] benefits which will also be delivered by the programme, these include:

- An agile modern network with increased reliability.
- With flexible working enabled across AVDC through the delivery of the connected working programme, a productivity gain across the workforce could be experienced. East Riding council experienced a 20% uplift in productivity as a result of introducing flexible working.
- Improved disaster recovery capability. A flexible workforce ensures service levels can be maintained in the event of a disaster scenario where employees cannot use, or attend, Aylesbury Vale offices. Scenarios include fire, weather incidents, bird flu pandemic, fuel strike, terrorism
- Environmental benefits, reduction in CO2 emissions due to less employee commuting,
- Delivery of this programme will maintain AVDC's position as an innovative leader within local government
- Provides a canvas from which to market commercial propositions to other local authorities/councils to generate sustainable sales and income

10.0 Programme Risks

Risk	Mitigation
1.0 Programme may not deliver the benefits detailed within the approved business case	Robust governance will be in place to monitor benefits, with reviews taking place at regular intervals throughout the programme lifecycle. Responsibility for benefit management, post programme completion, will be handed over to a named individual.
2.0 Programme Costs might increase	Robust governance will be in place to monitor budgets and spend, with reviews taking place at regular intervals throughout the programme lifecycle. A named individual from finance will work alongside the programme manager to ensure programme spend remains within tolerance, and to ensure any variation to forecast is noticed, and addressed, at the earliest opportunity.
3.0 Programme may not deliver to timescales	AVDC has a history of successful programme and project delivery, with large deliveries being broken up into smaller delivery components to reduce complexity and aid rapid delivery. Delivery of these components is spread across the duration of the programme and, when combined with robust governance, ensures delivery is achieved within agreed timescales
4.0 External suppliers may not deliver	AVDC will select suppliers that have a proven track record and will carefully govern delivery. Output based deliverables will be used at milestones.
5.0 External factors may impact programme	There are many external factors that will impact this programme such as the Unitary decision. These factors will be monitored as they develop and the impact evaluated at each decision point.
6.0 Internal resources not allocated to or are lost from the project	This programme is strategically significant for AVDC to enable delivery of the commercial future. The programme will ask through the corporate programme office for the right internal skills and try to ensure upskilling of internal staff takes priority over external staff.

12. Appendix B

Investment for Phase 2

The investment proposal requires an investment of £1.53m to deliver the first phase of the Connected Knowledge programme in the period April 2018 to March 2019. This phase will be funded in the large part by a proposed use of New Homes Bonus.

	Cost	Ongoing Revenue impact
Innovation	340K	20K
Transformation	470K	60K
Legacy Reduction	220K	125K
Resourcing	500K	N/A
Total	1.53m	205K

	Benefit 2018	Benefit 2019
Efficiencies	60K	270K
Cost Down		10K
Cost Avoidance	30K	40K
Income Generation	40K	100K
Total	130K	420K

The summary revenue savings and costs are built in to the Budget Planning report for 2018/19. The investment drives much of the organisational change programmes anticipated over the next few financial planning years and enables the Authority to deliver a significant element of the proposed savings. Some savings are directly attributable, specifically those identified above, but others indirectly result from the Connected Knowledge programme and are harder to quantify.

Cabinet
11 December 2017

BUDGET PLANNING 2018/19 AND BEYOND - INITIAL PROPOSALS
Councillor Howard Mordue
Cabinet Member for Resources, Governance and Compliance

1 Purpose

- 1.1 The report presents the initial budget proposals for 2018/19 for Cabinet's consideration (Appendix A).
- 1.2 The report refers to the emerging revenue position for the Organisation for 2018/19 and future years and details the impact of organisational change, planning decisions, estimated efficiencies and commercialisation gains. The report also details emerging financial opportunities and risks.
- 1.3 The recommendations of Cabinet will then be considered by Finance and Services Scrutiny Committee on 8th January 2018.

2 Recommendations/for decision

- 2.1 Cabinet are requested to consider the report and the initial set of budget proposals for 2018/19 together with the Medium Term Financial Plan and then agree;
 - a. To take into budget planning the £2.63 million of proposed savings as set out within paragraph 4.7 to this report;
 - b. To take into budget planning the £2.60 million of forecast pressures as set out within paragraph 5.1 to this report.
 - c. To increase Council Tax by an annual amount equal to £5.00 (3.48%) for a Band D property (equivalent to less than 10 pence per week), from 1st April 2018;
 - d. To agree for work to continue on the development of the budget proposals and for any net variance resulting to be either added to, or deducted from General Balances;
 - e. To agree the revised list of Fees and Charges attached as Appendix E to this report;
 - f. To approve the use of £1.53 million from the New Homes Bonus reserve to meet the costs of the Connected Knowledge Programme in 2018/19;
 - g. To recommend the initial budget proposals to Finance and Services Scrutiny Committee for consideration and comment
- 2.2 Cabinet are also advised to recommend that the level of the Band D Special Expenses charge for 2018/19 remains unchanged as part of their initial budget proposals.

3 Background

- 3.1 This report provides an update to the Cabinet on the progress in developing the five year financial plan for 2018-19 to 2022-23.

- 3.2 The report to Cabinet on 8 November 2017 set out the context for 2018/19 budget planning and outlined a series of high level issues facing the Council when developing budget proposals and updating its Medium Term Financial Plan (MTFP). There remain a number of key uncertainties in relation to e.g. financial impact from retained business rates, funding levels in relation to Government Grant and level of New Homes Bonus. These issues are explored further as part of this budget report.
- 3.3 This report therefore seeks to bring together an indication of those factors which can be predicted with some certainty and proposes a strategy for dealing with those factors which reasonably cannot.
- 3.4 This report has been written just after the Chancellor's Spending Review Statement (22nd November) but prior to the announcement of detailed grant allocations for councils (expected mid December). Indications are that austerity will continue for local government for the period of the MTFP.
- 3.5 As highlighted in previous years the Council Strategy for balancing the budget is an ongoing process and not an annual exercise purely undertaken once a year. The ongoing work across the Council in terms of its commercial agenda avoids the need to take lists of potential service reductions through scrutiny committee.
- 3.6 The tone of this budget setting and planning report is, therefore, still primarily focused around the delivery of efficiency savings and new income generation but with a view to the wider budgetary risks potentially facing the Council.
- 3.7 The MTFP sets out both the service based operational income and expenditure expectations but also the proposed financing arrangements. The position presented represents a best view of the known financial landscape now and for future years.
- 3.8 The report divides the main elements of budget planning between service pressures, savings proposals and provides detail on funding streams including Government Grant, Business Rates and proposals for Council Tax
- 3.9 The net budget for service related expenditure available across the Organisation for 2018/19 is stated as £17.498m. This largely represents baseline funding of £17.525m carried forward from 2017/18, with additional provision made for service pressures for the 2018/19 financial year, offset by realisable savings.
- 3.10 In setting the plans, consideration has been given to the longer term view and given the scale of efficiencies identified during the budget setting process for 2018/19 it has been possible to provide for savings in future years.
- 3.11 In setting the budget for 2018/19 a number of working assumptions have been made. These are based on best known information at the time of writing the report.
- 3.12 However, given the dynamic national and local environments, it may be necessary to amend proposals in view of any emerging changes to financing. Work will continue on refining the elements of uncertainty between now and the Cabinet's final budget proposal. This will be informed by Finance and Services Scrutiny Committee's comments, the latest projected position on Business Rate Growth and the initial proposed grant numbers from Government expected mid to late December 2017.

3.13 As at the end of September 2017, the Council is forecasting an overspend against last years plan of £0.496m (after the application of reserves). Work continues to manage this forecast overspend down over the last months of the financial year. It is anticipated that the exceptional costs underlying the forecast deficit will be managed through use of balances in 2017-18 and there will be no impact on 2018-19 planning assumptions.

4 Savings and Income Identification Options

- 4.1 As set out in the report to Cabinet in November the approach adopted for setting the budget for 2018/19 is similar to that followed in recent years and relies primarily on capitalisation of the savings delivered via reorganisation, income generation and restructuring in previous years in anticipation of the Government Grant reductions.
- 4.2 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 reconsidering what it does, what it could do and who should pay for the services provided. This work is now badged as Commercial AVDC and members of the Council will be familiar with the term.
- 4.3 As has been emphasised, thus far this has not specifically been about income generation but has instead been a review of what customers want and need, who is best placed to provide these services, the most efficient and effective way of delivery, who should pay for the service and how much and potentially for some services, whether they need to be provided at all.
- 4.4 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. This work has been carried out with the expectation that these transformational and efficiency measures will replace the need for a crude annual cuts exercise. This planned response to budget reductions represents a cornerstone of the budget development process.
- 4.5 In addition to the significant savings realised from the major transformation exercise, budget holders continue to be engaged in identification of other measures to increase efficiencies and to increase income potential. Managers have been empowered to manage within agreed financial parameters, to identify where things can be done more efficiently and to take advantage of in year productivity and non-recurrent opportunities to identify savings.
- 4.6 A list of the significant savings to be incorporated into budget planning is set out in Appendix C to this report.
- 4.7 A total of £2.63m of savings have been identified and include:
- a) Further savings opportunities arising from continued review of staffing requirements, (£0.78m)
 - b) Savings arising from identification of improved income opportunities (£0.85m)
 - c) Proposed improvements in efficiencies with savings budgeted at £1.00m
- 4.8 The Cabinet will note, in particular, the efficiency savings and income opportunities arising from:

- Savings of £864,000 realised from the leasing of waste vehicles, although this is offset by additional financing costs of £560,000 (an overall net saving of £304,000)
- Proposals include increased income streams in relation to planning applications (£150,000), Pre Planning Agreements and Building Control fees (£150,000), rating enforcement recovery (£50,000) and general commercial and business strategy (£100,000). In addition, a service review of the Garden and Commercial waste service is anticipated to deliver additional in-year income of £250,000 which will include some increased pricing.
- A proactive and effective management of contracts generally through effective procurement processes (£100,000) and specifically for some property contract arrangements. Service charges for properties are anticipated to increase by £80,000 and the previously re-negotiated Waterside Theatre contract is expected to realise savings of £50,000.
- The HB law contract will be reduced by £100,000. This will be offset by the cost of appointing an in-house expert to support this work.

5 Pressures

- 5.1 A list of the significant budgetary pressures included in the financial plan for 2018-19 are set out within Appendix D to this report.
- 5.2 A total of £2.60m of budgetary pressures have been identified and include
- Additional budget pressures of £1.65m for 2018-19 in relation to service delivery
 - Cost pressures in relation to inflationary of £0.68m
 - Revenue consequences of capital decisions made of £0.27m
- 5.3 A number of new spending pressures have materialised in discussions with budget managers as part of the budget setting process. The Cabinet will note, in particular, the pressures in relation to:
- For waste services, increased costs of loan repayments (£560,000) in relation to the purchase of new vehicles but this has been offset by savings on lease payments in previous years. The purchase of the new vehicles has realised an overall annual saving of £304,000
 - A budget provision of £200,000 has been made to meet the likely outcomes of the service review and staff contract negotiations within the waste service.
 - Due to global factors, income recovery from recycling is anticipated to reduce materially in 2018-19. In anticipation of the likely changes to the current contract and forecast income, the risk of reduced income has been recognised as a budgetary pressure (£350,000)
 - In recognition of current pressures on maintenance and repair budgets, an increased budget has been provided for 2018-19. Contract reviews will also be undertaken to minimise costs and maximise service delivery.
 - A known consequence of the Exchange Street project is a loss of car parking revenue. The financial impact of this lost income (£150,000) has now been reflected in revenue plans for next year.
 - Some marginal changes have been made to staffing where it has been recognised that current arrangements did not fully reflect service needs. Budgetary provision has been made for an additional post in finance and legal services, although the latter is offset by savings in the legal contract.

- Provision has been made (£100,000) for additional revenues costs as a result of operationalisation of the Connected Knowledge programme. In particular, the additional cost is mainly associated with the new data handling requirements of GDPR legislation.
- 5.4 The cost pressures include a general provision for inflation and pay related costs of £0.68m.
- 5.5 The budget reflects the 2% pay increase agreed by Staff Side and Unions as part of a two year pay settlement. Allowance has also been made for payment of annual increments to staff.
- 5.6 A more general inflationary increase of 2% for non pay related spend and 2.5% in relation to spend on contracts has been included in the budgets for 2018/19.
- 5.7 Elsewhere on the agenda is a Capital Programme update report that includes all the recent schemes that have been agreed. The revenue consequences of these schemes in the form of financing costs have been included within the budget proposals (£275,000). These are shown in Appendix A2 under the title of Major Projects and include cost for Pembroke Road Depot and Waterside North Development. Whilst these represent additional revenue costs, other financial and efficiency benefits will accrue from the investment made.
- 5.8 At a meeting on 13 September 2017, Council agreed a Commercial Property scheme of £100m. No revenue implications for this overall scheme have been included in the revenue budget for 2018-19 and future years. This is based on the premise that any business cases arising from the plan will be required to be revenue generating with no call on existing revenue resources.
- 5.9 The pressures represented in the budget reflect the outcomes of discussions with budget managers across the Organisation.

6 Government Grant

- 6.1 Members will recall that in 2016-17 the Government offered a multi year financial settlement which was accepted by Aylesbury Vale District Council. The financial year 2018-19 represents year 3 of this 4 year agreement.
- 6.2 The table below sets out the elements of Grant covered by the 4 year Settlement. Currently only the Revenue Support Grant element is confirmed as the Baseline Funding Level relates to the retained benefit the Council receives from the Business Rates it collects.

	2016-17 £M	2017-18 £M	2018-19 £M	2019-20 £M
Settlement Funding Assessment	5.22	4.30	3.83	3.26
of which:				
Revenue Support Grant	1.57	0.58	0.00	0.00
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

- 6.3 Although the settlement is a 4 year settlement, annual Government confirmation is still required.

- 6.4 The Autumn Statement is the precursor to the Government making detailed announcements in relation to Local Government Funding, but the exact timing of its announcement of the Finance Settlement has yet to be made public.
- 6.5 The Government has indicated that it intends to make this announcement as soon as possible after the Autumn Statement. At the point of writing this report, the announcement has yet to be made and it is understood it should be expected mid December and, therefore, detailed numbers cannot be incorporated into the initial budget plans.
- 6.6 For the purposes of this draft budget proposal it has been assumed that there is no change to the baseline funding of £3.83m. Any deviation from this planning assumption will require additional modelling of the plan for future years and may impact on the final position recommended to Council.
- 6.7 A new spending review will be required for 2020/21. The working assumption, based on trends to date and intelligence of Senior Officers, is that government grant funding will continue to decrease. Allowance has been made in the medium term financial plan for reduced levels of funding but the extent and timing of the reduction is not known with any certainty and this poses a risk for accurate future planning. It is against this background and emerging risks that AVDC continues to focus on increasing opportunities to enhance income generation opportunities through Commercialisation.

7 Retained Business Rates

- 7.1 The revaluation of all properties for business rates took effect from 1 April 2017. Revaluation was completed to maintain the accuracy in the rating system by reflecting changes in the property market since the last revaluation in 2010.
- 7.2 As with the Grant position described above, the Business Rates Revaluation also clouds the position on the amount of Gain the Council might expect to achieve from Business Rates Growth in the Vale.
- 7.3 Based on the trends which sit below the revaluation, previous year's outturn income and in-year financial performance, an initial target of £476,000 has been included in the Budget for 2018-19 as the AVDC retained share of the Business Rates Growth.
- 7.4 The position will continue to be kept under review as the detailed budget continues to develop so that the final budget report can be informed by the latest information available at that time.
- 7.5 By way of mitigation, the Council holds a Business Rates revaluation Reserve. This mitigating action was created alongside the introduction of Business Rates Retention to meet any significant year on year fluctuations caused by the volatility inherent in the Business Rates system. It is expected that this will enable the Council to achieve the budgeted gains from Business Rates Retention system in 2017/18 and 2018/19.

8 Business Rates Pooling

- 8.1 In 2016/17, Aylesbury Vale entered into a Business Rates Pooling arrangement with Bucks County Council, Bucks Fire and Rescue, Chiltern District Council and South Bucks District Council.

- 8.2 This arrangement allows these councils to retain a greater proportion of Business Rates growth, by reducing the amount the Government would ordinarily capture.
- 8.3 For 2018/19 planning purposes, no account has been taken of any anticipated gain in this budget proposal. This presents a prudent position given risks in terms of e.g. valuation appeals. Any gain achieved will therefore be placed in the Business Rates Equalisation Reserve and decisions on how to apply it will be brought forward once the actual gain is known.
- 8.4 In its first year of operation, the gains from the Pool across the whole Pooling area amount to approximately £1.25 million, of which circa £357,000 related to Aylesbury Vale. The Pool created will continue to operate until any of the organisations that are party to it notify the Government that they wish to exit the arrangement.
- 8.5 There are no proposed changes for 2018/19 and all parties have agreed to continue on the same basis, subject to seeing the final Government numbers contained in the Finance Settlement.
- 8.6 Should any council be unhappy with the position contained within the Settlement they would have a window of 28 days to withdraw from the Pooling arrangement from the date that the Finance Settlement is published. Such a decision, by any of the parties, would result in the Pool being disbanded.

9 Investments / Net Borrowing

- 9.1 The 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.
- 9.2 For 2018/19, and future years, additional income from Investment interest has been included. This is based on actual financial performance for 2016/17, forecast outturn for 2017-18 and a forecast for future years. The Council takes a proactive approach to managing cash balances, with the bulk of the income being recovered from short-term money market lending.
- 9.3 A reduction in borrowing costs is also a factor of the 2018/19 financial plan.
- 9.4 Decisions to borrow against agreed business cases are made on a case by case basis and may vary from original financing plans. All decisions to borrow are made against a background of existing resource availability and minimising costs and maximising returns. Where possible decisions to borrow are avoided with the use of the Council's capital receipts being a preferred methodology to fund capital development. The reduced borrowing costs for 18/19 are a direct result of decisions to borrow less against agreed plans.
- 9.5 In previous years, shortfalls of investment earnings, which have arisen from the record low base rate, have been smoothed via the use of the Interest Rate Equalisation Reserve. The 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.
- 9.6 As part of that budget planning exercise, it is proposed that a contribution of £85,000 be paid to the Reserve in 2018/19. This is recommended on the basis of the better than expected investment income and the expected outlook. In supplementing the reserve, this aligns to the overall direction of the financial plan, to maintain flexibility and to manage future risk.

9.7 The plan reflects reduces income from AVE interest payments (reduction of £82,000) and no change to Dividends payable. The plan has been adjusted to reflect actual and known interest repayments from AVE.

10 New Homes Bonus

10.1 In autumn 2015 the Spending Review confirmed the move to the full retention of business rates by 2020 and a preferred option of saving at least £800m from the New Homes Bonus to be used for adult social care. In this context, the Government sought views on options for change to two aspects of the Bonus: reducing overall costs by reducing the number of years payments are made; and reform of the Bonus to better reflect local authority's performance on housing growth.

10.2 As a result of its consultation 'New Homes Bonus- Sharpening Incentive', the Government implemented:

- a move to 5 year payments for both existing and Bonus allocations in 2017/18 and then to 4 years from 2018/19; and
- the introduction of a national baseline of 0.4% for 2017/18 below which allocations will not be made.
- The Government will also retain the option of making adjustments to the baseline in future years to reflect significant and unexpected housing growth.

10.3 Taken together these measures met the aims set out in the consultation paper to sharpen the incentives for housing growth, release funding for other Local Government spending priorities such as adult social care.

10.4 The Government issues a further consultation ahead of 2018/19, proposing further 'sharpening'. The outcome of this consultation is not expected until the Finance Settlement is announced mid December but may potentially further reduce receipts from this funding mechanism.

10.5 The Bonus will continue to be an unringfenced grant which allows local authorities to decide how to spend it, for example on frontline services or keeping council tax down, as it recognises that local authorities are in the best position to make decisions about local priorities. However, the Government reaffirms that it expects local authorities to engage with their local community to decide how the money is spent, so residents feel the direct benefits of growth

10.6 As a result of the changes, and as the District receiving the greatest bonuses, all of the changes have had a proportionately greater impact on this Council.

10.7 Payments to the Council have already reduced from £7.4m in 2017/18 to anticipated income of £5.99m in 2018/19

10.8 Given the uncertainty surrounding its future, the initial budget proposals for 2018/19 and for the period of the MTFP, do not propose any changes to the contribution from New Homes Bonus into the revenue budget. This remains at £1.178m

10.9 Once the Finance Settlement data is released the assumptions will be re-tested and any changes required will be reported back to Cabinet (and Scrutiny, if timing permits) as part of the Final Budget Proposals.

10.10 Last year Cabinet reviewed and re-affirmed its commitment to the Parish scheme.

11 Aylesbury Vale Estates

- 11.1 An AVE Business Plan for 2018/19 is currently being developed and was presented to Economy Scrutiny in November and will be considered by Cabinet in December 2017, alongside the proposed Budget proposals.
- 11.2 Dividend payments are forecast within the developing central version of the AVE Business plan. A prudent assessment of the dividend payable has been included in the budget proposal. This has been set at £200,000. Any increase or decrease from the forecast dividend will need to be considered as part of the ongoing budget planning.
- 11.3 The AVE Business Plan also includes a downside Business Case, as part of their scenario planning, which does not include a dividend payment. This is recognised as a budgetary risk and account is taken of this in determining the appropriate level of Working Balances to be held this year.

12 Council Tax

- 12.1 The Government has yet to announce its policy on Council Tax increases (this will be contained within the Finance Settlement), but has signalled, through consultation, that a threshold is still likely to exist at the same level as last year.
- 12.2 As reported to Cabinet in the high level budget issues report in November 2017, national policy has now shifted away from the desire to see Council Tax levels frozen to an acceptance of minimal tax increases. In fact, contained within last year's 4 year settlement is an assumption that each council will increase its Council Tax by the maximum permissible amount, short of requiring a referendum.
- 12.3 The Government has assumed that each council will do this and has reduced the amount of Grant it intends to award each council by an equivalent amount. Therefore, any Council not increasing their Council Tax by the assumed amount will effectively be worse off than the Government intended.
- 12.4 The maximum allowable increase was also flexed last year for certain types of council, with an additional 2%, above the existing 1.99% being made available to councils with responsibility for Adult Social Care. Further flexibility was also given to district councils, thereby acknowledging the huge disparity in individual levels of Council Tax and consequently the maximum gain achievable by a percentage increase.
- 12.5 For district councils, the maximum increase was changed to 1.99% or £5, whichever is the greater.
- 12.6 It is important to note that in allocating grant reductions in the 4 year settlement, the Government has assumed that each qualifying council will take maximum advantage of this additional council tax increase threshold and has reduced grant by an additional amount equivalent to the extra Council Tax it expects councils to generate. Implicit within this, is a new Government assumption that more of the burden of funding council services will be transferred to the taxpayer.
- 12.7 Any council not wishing to pass this on to the taxpayer will consequently be worse off, as the Government will have reduced their Grant, assuming that they had.

- 12.8 Given this, the initial budget proposal include the assumed maximum £5 increase is adopted in order to ensure that the Council is no worse off than the Government assumed.
- 12.9 A £5 increase at Band D will represent a 3.48% increase, equivalent to just under 10 pence per week, and will increase the Band D Council Tax for Aylesbury Vale District Council to £149.06.
- 12.10 Since the Governments austerity programme began the reduction in Government Grant supply has been equal to £105 per resident.
- 12.11 Against this backdrop, it would be unreasonable for residents to continue to expect to receive the same services without something changing, such as the level of tax paid or the ability of the Council to generate new income through other means.

Council Tax Collection Rates

- 12.12 The MTFP also reflects the finances arising from collection of Council Tax. For the purposes of planning, collections rates are assumed at 98.5%.
- 12.13 In reality, collection rates can vary, either above the 98.5% or below with the former resulting in a collection fund surplus, and the latter a deficit.
- 12.14 In recent years the Council has experienced a very gentle decline in actual collection rates. It is difficult to attribute this reduction to any specific event, but it is considered that it is a reflection of wider economic factors.
- 12.15 An allowance has been made in the MTFP for a reduction in the collection rates and a lower surplus as a consequence.

13 Reserves

- 13.1 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.
- 13.2 As part of the development process for 2017/18 the Cabinet member for Finance, Resources and Compliance is undertaking the annual full review of the Council's Reserves and Provisions.
- 13.3 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.
- 13.4 The principal explanation behind the increase is the sizeable amount of New Homes Bonus still 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.
- 13.5 The vast majority of reserves held are for legitimate reasons and the balances are reasonable given a fair assessment of the budgetary pressures that they are held against.

- 13.6 The size of the Reserves and the different timespans over which they will be required present an opportunity to mitigate some of the unforeseeable pressures.
- 13.7 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 the New Homes Bonus is held are delivered.
- 13.8 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.

14 Review of Fees and Charges

- 14.1 Fees and Charges are reviewed as part of the annual budget setting review process.
- 14.2 Appendix E to this report includes detail of total fees and charges levied by the Council.
- 14.3 Work is ongoing in many of these areas. A significant review is planned during the forthcoming financial year of the car parking charges and, in particular, season ticket prices. Any proposed changes to income levels may potentially be implemented in year. This additional income is not currently factored into the financial plan.

15 Balances

- 15.1 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.
- 15.2 The current minimum assessed level of balances is £2.0 million which has been arrived at based upon a risk and probability assessment of potential budgetary factors. This has been revised downwards from £2.5m in previous years.
- 15.3 The revision downwards represents a prudent view of balances held and allows for more monies to be allocated to front line delivery of services. The successful implementation of the Council restructuring programme has reduced the level of risk going forward, particularly in relation to the risk of the Council failing to deliver savings.
- 15.4 The 2017 September Quarterly Digest projection shows a requirement to draw down funding from balances of £0.949m in the current financial year. This consists of a) £0.497m to meet the 2017/18 forecast deficit and b) a contribution of £0.450m to support costs of the Commercial AVDC Change project.
- 15.5 Current projections indicate that working balances might end 2017/18 at around £1.9million. This is marginally below the new assessed minimum level.
- 15.6 Work continues to manage downwards the forecast deficit for 2017/18, and reduce the call on balances. This is being proactively managed with budget managers to ensure effective management of budgets in the remaining months of the financial year, by minimising costs where possible and maximising opportunities for further incomer recovery and generation.

- 15.7 The holding of balances presents the Council with opportunities to offset the upfront costs of change initiatives (such as redundancy) that will payback and deliver ongoing savings in later years.
- 15.8 The funding of the commercial change programme from balances is a non-recurrent cost that will lead to and support the change programme to deliver considerable efficiencies in the organisation. These efficiencies will contribute towards balancing the budgets in future years.
- 15.9 In reviewing the MTFP and setting the budget for 2018/19, it has been possible to realise savings in 2018/19 in advance of need, and therefore these have been added back to balances for use in 2019/20. The ability to do this is prudent and reflects an early return on investments made to date. The MTFP details a requirement to call on these balances in future years.
- 15.10 The contribution to General balances included in the budget proposals for is £252,700 and this will bring Working balances back above their minimum assessed level for 2019/20.
- 15.11 Appendix B provides detail on forecast General Reserve balances.

16 Commercial AVDC

- 16.1 The Council's approach to balancing its finances over the Medium Term Financial Plan is contained within the Commercial AVDC Programme. Members will be aware of the content of this Programme through regular briefings, but in summary;
- The Commercial AVDC programme was initiated in late 2015 to manage the process of balancing the budget in the run up to the predicted total loss of government grant in 2020.
 - Members will recall that the programme is adopting a two pronged approach of achieving savings by consolidation of services, use of Digital and reducing or eliminating duplication while at the same time generating income through commercial activities. The Commercial activities are developing to provide services that are -
 - Orientated around the customer, fulfilling their demands, delivering what the customer wants
 - Speedy response to customer demands, delivering services when the customers want it
 - Delivering within a cost effective delivery model at a cost the customers will pay.
- 16.2 The overall programme is based on a risk management approach. Whilst it is anticipated that the level of profit on the income generated by commercial activities will ultimately exceed the level of savings that can be made in the Council's core operation, the actual future level of profits is, nevertheless, a prediction and not yet bankable. While activities are underway to establish likely customer demands for commercial services and the best way to fulfil them, in parallel, the Council has undertaken a major internal change programme to deliver the savings which will ensure we have the breathing space to develop the required level of profit from the commercial ventures.
- 16.3 Savings of £2m have been realised as a result of the organisational redesign underpinning the Commercial AVDC agenda in 2017/18. Although there was a considerable cost of restructure in terms of redundancy costs, the recurrent

savings and revised staffing structure ensure an organisation fit for purpose going forward.

- 16.4 It is anticipated that the pay-back of costs will be circa 1.5 years from realised savings.
- 16.5 The fundamental restructure of the Council has delivered many of these savings well ahead of when they are actually required. This enables the Council to 'bank' them ahead of requirement and this is the main reason for the planned contribution to balances in 2018/19.
- 16.6 The focus for the organisation will be to maximise the income generation streams arising from the Commercial Agenda.
- 16.7 We are continuing to develop our commercial endeavours to address budget pressures over coming years. In the last year we have significantly grown our council to council activity, through activity such as implementing the Vale Lottery concept, behavioural assessments/culture change and digital work.
- 16.8 The Council also provided a loan of £50,000 in March 2017 to Vale Commerce. The company was specifically set up to explore and develop the delivery of services that could create new future income streams for the Council and has to date succeeded in demonstrating proof of concept and generating valuable customer insight. The first year accounts for year ending March 2017 have been filed with Companies House, which show the company made a loss of £37,000. The company has since generated additional income through selling its commercial experience to other councils and the bank balance remains positive, and is set to grow over the coming years. The budget for 2018/19 budget seeks to allocate a further £50,000 one off investment into Vale Commerce so it can continue to develop its subscription service with residents relaunching in early 2018.
- 16.9 Cabinet and Scrutiny would normally expect to receive a Business Plan for Vale Commerce for the forthcoming year alongside the budget planning report. As Vale Commerce vision becomes clearer, a new Business Plan will be presented to members ahead of any new activity.
- 16.10 At this stage of the MTFP, whilst we expect significant contributions from new operations in later years, plans are still incremental and not considered sufficiently certain to build these into future year's planning just yet.

17 Connected Knowledge

- 17.1 The Organisation continues to progress its digital agenda, promoting innovation in the ways services and IT solutions are delivered for Customers and staff.
- 17.2 The connected knowledge programme will underpin many of the components of Service delivery and Commercial AVDC and therefore the ability to meet the financial agenda for the Council over the coming years.
- 17.3 This Agenda contains a report on the Connected Knowledge programme seeking funding for the 2nd tranche of works in 2018/19 of £1.53m. This is in line with funding made available in 2017-18.
- 17.4 As this programme of works is about delivering a modern, sustainable, council which responds to the needs of its growing customer base, it is proposed that the funding for the scheme is met from unallocated balances of New Homes Bonus.

- 17.5 The use of reserves is justified in that the work of Connected Knowledge will result in sustainable infrastructure for the Council , it will also support the delivery of efficiencies.
- 17.6 Over time, funding arrangements for Connected Knowledge will be reviewed, with the aim of achieving a level of funding which can be met from continuing efficiencies.
- 18 Medium Term Financial Plan (2018/19 and After)**
- 18.1 The report to Cabinet in November set out the rationale for the core assumptions used in the Medium Term Financial Plan. In summary, the single biggest issue remains the ongoing and severe reductions in Government Grant, and the uncertainty (notably around Business Rates and New Homes Bonus) as to how these will be applied to individual councils.
- 18.2 The reality of continued public sector austerity through this Parliamentary term has been confirmed within the 4 Year Funding Settlement. Further, the Chancellor announced within his Autumn Statement that he expects the austerity agenda to continue into the next Parliamentary term, thereby potentially spanning many more years.
- 18.3 The Medium Term Financial Plan set out here is predicated on reductions at the same rate as experienced over the last 5 years through to 2023.
- 18.4 Last year the Government introduced the concept of Negative Grant and it is expected that this will become a feature of local government financing over the planning period.
- 18.5 The period of the MTFP will fall within the timescale for the UK to leave the European Union. No financial implications of the change have been incorporated into the current MTFP. The implications for the Council will be wide ranging with likely impacts on value of the pound and spending powers, possible impact on local business and business rates and also impact on availability of workforce.
- 18.6 During the period of the MTFP, a decision on unitary authorities may be made. The current financial modelling to 2022/23 does not include any financial provision relating to outcomes arising from any future decisions.
- 18.7 The Council Strategy around commercialism and efficiency is considered to remain the right strategy to deal with the financial challenges facing the Council, although work needs to continue around commercialism to identify the right governance, solutions and risk profiles.
- 18.8 The key elements of the budget strategy are: commercially minded, financially fit, customer and innovation and commercially focused.
- 18.9 The additional freedom around Council Tax increases will help soften the challenges marginally, although new pressures, such as those associated with inflation, are likely to absorb any respite offered by them.
- 18.10 Because of the various factors identified within this report as uncertain, it is expected that there may need to be material changes in the Final Proposals presented to Cabinet in January 2018. Where uncertainty exists it has been identified within this report along with the assumptions used and any mitigation strategy which exists.

- 18.11 Because of the narrow gap between Cabinet's meeting in January 2018 and the review of these draft proposals by Finance and Services Scrutiny Committee, also in January, it is hoped that an update may be provided to the Scrutiny Committee on the developing proposals.
- 18.12 Whilst a balanced budget is presented for the years to 2021/22, further work will be required to present a balanced budget for 2022/23. Assumptions on income, spend and efficiencies are very challenging to make for future years. The general principles of reducing costs and increasing income will remain the fundamental streams to addressing financial issues going forward.

19 Budget Management

- 19.1 The MTFP and the proposed budget set the Plan against which budget monitoring will be reviewed during the financial year 2018-19.
- 19.2 As with the current year and previous years, the financial environment will be challenging. The focus of the Council must be to deliver the plan as set out in this paper.
- 19.3 In managing budgets, budget holders will need to manage any in-year pressure including in built staff savings to be managed through e.g. turnover.
- 19.4 The level of savings realised will be monitored on a regular basis and any variance to plan escalated, with alternative plans to be sought.
- 19.5 The last few years have been a time of transition as staff changes have been made in line with the cultural change environment. Having largely completed this, 2018/19 represents a time for consolidation as revised staffing establishments will be in place. The dependency on high cost agency staff must be targeted to reduce risk of in-year overspends.
- 19.6 Escalation processes will be in place to monitor performance in year against the agreed plan.
- 19.7 Once the 2018/19 plan has been agreed, the key issues and messages will be shared with the organisation. A number of specific messages will be highlighted including:
- Reduce agency spend
 - Identify where things could be done more efficiently, and at reduced cost
 - Maximise all opportunities to increase income to the Council
 - Reduce spend on non-pay items where possible

20 Special Expenses

- 20.1 This report normally seeks to include a recommendation on the Special Expenses budget for Aylesbury Town.
- 20.2 Work is progressing to develop this budget. From an initial review of costs and service charged into this area, a marginal reduction in budget of £2,000 is anticipated thereby the planned use of balances. It is anticipated that Band D Council Tax can remain the same in this area.

21 Options Considered

- 21.1 The report provides a commentary on the key elements of choice within the budget proposals and outlines the reasons for the recommendations.

22 Recommendations

- 22.1 These are set out within the report and summarised in paragraph 2.

23 Resource Implications

23.1 These are covered within the body of the report.

Contact Officer

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Medium Term Financial Plan – 2018/19 to 2022/23 – Final Proposals

Classification	2017/18 Base	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£	£
Civic Amenities	740,400					
Commercialisation & Business Transformati	971,100					
Communities	3,430,400					
Economic Development & Regeneration	(1,447,300)					
Environment & Waste	6,297,800					
Growth Strategy	885,000					
Leader	3,339,000					
Resources, Governance & Compliance	3,308,700					
Plus: Inflation and known Savings / Growth	0	(26,600)	166,700	(345,500)	234,300	955,000
Less: Unidentified Savings Still Required	0	0	0	0	0	(1,019,500)
Service Spend Total	17,525,100	17,498,500	17,665,200	17,319,700	17,554,000	17,489,500
Contingency Items	104,900	104,900	104,900	104,900	104,900	104,900
Financing & Asset Charges	(1,048,800)	(1,048,800)	(1,048,800)	(1,048,800)	(1,048,800)	(1,048,800)
Transfer to Reserves	713,400	713,400	713,400	713,400	713,400	713,400
Transfer from Reserves	(357,000)	(357,000)	(357,000)	(357,000)	(357,000)	(357,000)
Net Transfers to Reserves	356,400	356,400	356,400	356,400	356,400	356,400
Investment Interest	(165,000)	(330,000)	(364,100)	(364,100)	(404,900)	(404,900)
Interest on Long Term Borrowing	2,655,500	2,447,300	2,429,800	2,421,500	2,412,800	2,404,100
AVE Receivables	(2,136,000)	(2,053,900)	(1,971,800)	(1,929,500)	(1,885,600)	(1,839,800)
Contribution to/(Use of) Balances	0	252,700	0	266,100	0	0
Less: Special Expenses	(866,100)	(864,700)	(886,300)	(908,500)	(931,200)	(954,500)
New Homes Bonus	(1,178,000)	(1,178,000)	(1,178,000)	(1,178,000)	(1,178,000)	(1,178,000)
Retained Business Rate Growth	(476,700)	(476,700)	(476,700)	(476,700)	(476,700)	(476,700)
Funding Requirement	14,771,300	14,707,700	14,630,600	14,563,000	14,502,900	14,452,200
Funded By:						
Government Grant	(4,300,000)	(3,839,200)	(3,288,400)	(2,737,600)	(2,186,800)	(1,636,000)
Collection Fund Transfer	(228,000)	(61,000)	(61,000)	(61,000)	(61,000)	(61,000)
AVDC Council Tax	10,243,300	10,807,500	11,281,200	11,764,400	12,255,100	12,755,200
Council Tax Base	71,106	72,507	73,232	73,964	74,704	75,451
Council Tax	£ 144.06	£ 149.06	£ 154.05	£ 159.05	£ 164.05	£ 169.05
Percentage Increase	3.59%	3.48%	3.34%	3.25%	3.14%	3.05%

Medium Term Financial Plan – 2018/19 to 2022/23
Summary of Changes

Classification	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£	£
Plus:						
<i>Unavoidable Pressure</i>		1,655,000	200,000	0	0	0
<i>Inflation, Pay and Increments</i>		676,000	786,000	805,000	928,000	955,000
<i>Major Projects</i>		275,000	275,000	(57,900)	(57,900)	0
Total	0	2,606,000	1,261,000	747,100	870,100	955,000
Less:						
<i>New Income and Efficiency Proposals</i>		(2,632,600)	(1,094,300)	(1,092,600)	(635,800)	0
<i>Major Projects</i>						
Total	0	(2,632,600)	(1,094,300)	(1,092,600)	(635,800)	0
Total Budgetary Pressure & Efficiencies Identified	0	(26,600)	166,700	(345,500)	234,300	955,000
Change in Available Resources						
<i>(Increase)/Decrease in Investment Interest</i>		(165,000)	(34,100)	0	(40,800)	0
<i>Decrease in Contribution From Reserves</i>		0				
<i>Decrease in Capital Financing</i>		0				
<i>Decrease in Borrowing Costs</i>		(208,200)	(17,500)	(8,300)	(8,700)	(8,700)
<i>Decrease in AVE Interest Payment</i>		82,100	82,100	42,300	43,900	45,800
<i>Increase in AVE Dividends</i>		0	0	0	0	0
<i>Decrease/(Increase) in Use of Balances</i>		252,700	(252,700)	266,100	(266,100)	0
<i>Decrease in Contingency Provision</i>		0	0	0	0	0
<i>Decrease in Collection Fund Surplus</i>		167,000	0	0	0	0
<i>Lower Government Grant - RSG</i>		460,800	550,800	550,800	550,800	550,800
<i>Lower Government Grant - NNDR</i>		0	0	0	0	0
<i>Tax Base Growth</i>		(201,800)	(108,100)	(112,800)	(117,600)	(122,600)
<i>Additional Council Tax</i>		(362,400)	(365,600)	(370,400)	(373,100)	(377,500)
<i>Decrease/(Increase) in Special Expenses</i>		1,400	(21,600)	(22,200)	(22,700)	(23,300)
Total Decrease/(Increase) in Resources	0	26,600	(166,700)	345,500	(234,300)	64,500
Savings (Required)/Achieved	0	0	0	0	0	(1,019,500)
Net Change in Resources	0	0	0	0	0	0

Budget Proposals – 2018/19 to 2022/23
General Fund Revenue Balances

Classification	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£,000s	£,000s	£,000s	£,000s	£,000s	£,000s
Balance Brought Forward	2,873,000	1,924,000	2,126,700	2,126,700	2,392,800	2,392,800
Windfall Gains & Special Applications of Balances						
- HS2	(2,000)	0	0	0	0	0
- Website and E-Commerce Programme	0	0	0	0	0	0
- Commercial AVDC Change Project	(450,000)	0	0	0	0	0
- Vale Commerce Ltd	0	(50,000)	0	0	0	0
Restated Balance Position	2,421,000	1,874,000	2,126,700	2,126,700	2,392,800	2,392,800
Forecast (Overspend)/Underspend Assumption	(497,000)	0	0	0	0	0
Planned Addition to/(Use of) Balances	0	252,700	0	266,100	0	0
Net (Use of)/Contribution to Balances	(497,000)	252,700	0	266,100	0	0
Balance Carried Forward	1,924,000	2,126,700	2,126,700	2,392,800	2,392,800	2,392,800

Budget Savings Identified in 2018/19 Budget Planning

Service Area	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Proposal
Green Spaces	46,700	0	0	0		Delete post of Green Spaces Officer (Bio-Div)
Development Management	250,000	150,000	125,000	0	82,900	Increase estimate of income received through volume of planning applications received. Removal of DM Reserve 21/22
Operational Parking	55,400	0	0	0		Reduction In Various Running Expenses and part removal of post
Operational Housing	52,700	0	0	0		Removal of posts
Building Control	37,300	0	0	0		Delete post of Engineering Technician
Revenues & Benefits	130,700	0	0	0		Delete post of System Supervisors & Project Officer
Staying Put	200,000	0	0	0		Amend AVDC funding structure to a "contingency fund" arrangement
Refuse	85,900	0	0	0		Delete 3 vacant Driver posts
Shop Mobility	24,200	0	0	0		Delete post of Admin/Support Officer
Admin Review	48,400	0	0	0		Delete two further posts of Admin/Support officer
Open Spaces	0	0	23,400	0		Delete 0.5 post of Green Spaces Officer (Trees)
Contact Review	98,700	98,700	30,100	0		Staff review and deletion of no of posts
CF overall	132,600	73,500	53,200	240,000		Rolling programme of CF staff changes
Benefits - Universal Credit			30,100	60,200		Delete 3 SG2 Posts
Casework Review		210,400				Removal of number of posts
Waste Services	99,000	20,000	20,000	25,000		Increase Garden Waste Charge
Commercial Services		150,000				PPA & BC Fees - Business Opportunities & Fees Increase
Commercial Services		250,000	150,000	150,000	43,900	Garden & Commercial Waste - Service Reviews
Waste Services		864,000				Removal Of Vehicle Leasing Budgets - Now Purchased
Data Security	25,700		0	0		removal of substantive CCP Post
Finance Services	56,000					2% surcharge on credit card transactions. Debit cards not included.
Commercial Solutions		100,000				Commercial & Business Strategy Income Streams
Contract Management		100,000	100,000	100,000	100,000	contract management procurement and delivery efficiencies 18-19 - Insurance Reduction
Housing Strategy	60,000	7,500				Preferred Development Partner
Communities	301,600	35,000				Review of staff budgets and non pay expenditure
Strategy & Partnership		50,000				Reduction In Employee Costs Following Review
Democratic Services				54,900	25,000	Removal of Democratic Service Manager Post
Forward Plans		103,500			164,000	Reduction In Employee Costs Following Review and removal of FP reserve in 21/22
Economic Development		50,000				Reduction In Employee Costs Following Review
Payroll	38,300					Removal of posts
Rating & Recovery		50,000	50,000	50,000	50,000	Enforcement Recovery - Local Authority Training, Cost Income
Sale of Transactional Services			20,000	20,000	20,000	Sale of Payroll, Finance, (Any Transactional Service)
Finance, Recoveries & HR			37,500	37,500		Reduction Of 2 Posts - Different Grades - Increasing Efficient Processes & Automation
Legal Services		100,000				Reduction In HB Law Contract Hours
IT Team		50,000	50,000			Removal Of Roles - Different Grades - Increasing Efficient Processes & Automation
Waterside Theatre	108,500	55,000	25,000	25,000		ATG Contract Review - Reduction Management Fee
Offices	20,000	0	30,000	30,000		Conference Centre Lettings - Increase To Current Income Stream & Review Future Charges
Properties	50,000	80,000				Service Charges For Waitrose & Travelodge - Increase To Charge Level
Strategic Parking					50,000	Gateway Parking - P&D Income One Level
Properties	67,000		100,000	200,000	50,000	Review of Visitor Centre/ Exchange North - Potential Rental Income
Rentals and service charges	171,300					Increase income generation
Residential Assets Management Income		35,000	50,000	50,000	50,000	
Crematorium			150,000			Partner Dividend
M&E Contract			50,000	50,000		Reduction In Reactive Maintenance
Leadership Review	40,000					Net saving in Post reduction
Total	2,200,000	2,632,600	1,094,300	1,092,600	635,800	

Budget Pressures Identified in 2018/19 Budget Planning

Service Area	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Proposal
Waste Services		560,000				Loan Repayment for Vehicle Leases - 7 Years
Waste Services		200,000				Round Review & Staff Contract Renegotiations
Waste Services		350,000	200,000			UPM Contract - Recycling Credits
Strategic Finance		70,000				Strategic Finance Review - Corporate Accountant
Parking Strategy		150,000				Exchange St - Loss Of Income - Exchange Street North Development
M&E Contract		150,000				M&E Contract Renewal
Legal Services		75,000				Funding Requirement for Lawyer Specialist Projects
Connected Knowledge		100,000				Additional costs associated with GDPR
		1,655,000	200,000			

Democratic Services	2016/17	2017/18	2018/19
DVD of Webcasting Council Meetings	£85.00	£85.00	£85.00
Electoral Registration	2016/17	2017/18	2018/19
Sale of Full Register and the Notices of Alteration			
<ul style="list-style-type: none"> in data format, plus £1.50 for each 1,000 entries (or remaining part of 1,000 entries) in it in printed format, plus £5 for each 1,000 entries (or remaining part of 1,000 entries) in it 	£20.00	£20.00	£20.00
	£10.00	£10.00	£10.00
For sale of the list of overseas electors:			
<ul style="list-style-type: none"> in data format, plus £1.50 for each 100 entries (or remaining part of 100 entries) in it in printed format, plus £5 for each 100 entries (or remaining part of 100 entries) in it 	£20.00	£20.00	£20.00
	£10.00	£10.00	£10.00
Certain individuals/parties may purchase the marked register following an election			
<ul style="list-style-type: none"> plus £2 for printed and £1 for data versions per 1,000 entries. 	£10.00	£10.00	£10.00
Leisure	2016/17	2017/18	2018/19
Pitches / All Weather Pitches			
All Weather Pitch – Bedgrove – This facility has now closed			
Football Seniors Large Court	£20.00	£20.00	N/A
Football Juniors Large Court	£11.50	£11.50	N/A
Floodlights - Large Court	£8.00	£8.00	N/A
Floodlights - Netball Court	£4.50	£4.50	N/A
Netball - Senior per court	£12.50	£12.50	N/A
Netball - Junior per court	£5.80	£5.80	N/A
Junior Netball League- Season	£620.00	£620.00	N/A
All Weather Pitch - MEADOWCROFT			
Peak Time-1/3rd area per hour	£24.50	£25.00	£26.00
Peak Time-2/3rd area per hour	£49.00	£50.00	£52.00
Peak Time-full area per hour	£73.00	£75.00	£78.00
Off peak time-1/3rd area per hour	£18.50	£19.00	£20.00
Off peak time-2/3rd area per hour	£37.00	£38.00	£39.00
Off peak time-full area per hour	£55.50	£56.00	£58.00
Flood lights-1/3rd area per hour	£12.25	£12.50	£13.00
Flood lights-2/3rd area per hour	£18.50	£18.90	£20.00
Flood lights-full area per hour	£30.00	£31.00	£32.00
Football Pitches Grass			
Adult pitch - per match at Fairford Leys	£83.50	£83.50	N/A
Adult pitch - per match at all other venues (includes Fairford Leys from 2018/19)	£70.50	£77.00	£80.00
Juniors aged 14 to 17 years inclusive, playing on an adult pitch - per match at Fairford Leys	£58.00	£58.00	N/A
Juniors aged 14 to 17 years inclusive, playing on an adult pitch - per match at all other venues (includes Fairford Leys from 2018/19)	£49.00	£54.00	£56.00
Juniors aged 13 years and under, playing on a junior pitch - per match at Fairford Leys	£49.50	£49.50	N/A
Juniors aged 13 years and under, playing on a junior pitch - per match at all other venues (includes Fairford Leys from 2018/19)	£44.50	£47.00	£49.00

Mini-Soccer pitch - used by 10 year olds and under (2 hour booking)	£23.00	£23.00	£24.00
Mini-Soccer pitch - used by 10 year olds and under (1 hour booking). 50% cost of above	£11.50	£11.50	£12.00
Off-pitch - space adjacent to pitches and changing room facilities.	£40.00	£40.00	£42.00
Cricket Square	2016/17	2017/18	2018/19
Adult-afternoon-per match (14:00 - 19:00)	£90.00	£92.00	£96.00
Insurance			
Insurance for any pitch hire	£2.50	£2.50	£3.00
Community Centres			
Alfred Rose Park, Bedgrove Park, Hawkslade Farm, Prebendal Farm and Southcourt			
All Community Bookings include Churches, Car Boots, Bazaars and Bank Holidays			
Monday to Friday			
8.00 - 13.00	£30.00	£30.00	£30.50
13.30 - 17.15	£30.00	£30.00	£30.50
17.45 - Close	£48.00	£48.00	£48.00
Saturday and Sunday			
8.00 - 13.00	£33.00	£33.50	£34.50
13.30 - 17.15	£33.00	£33.50	£34.50
17.45 - Close	£62.00	£62.00	£63.00
Private and commercial events include adult and children's parties and bank holidays			
Monday to Thursday			
8.00 - 13.00	£65.00	£67.00	£70.00
13.30 - 17.15	£65.00	£67.00	£70.00
17.45 - Close	£145.00	£145.00	£145.00
Friday Saturday and Sunday			
8.00 - 13.00	£65.00	£65.00	£70.00
13.30 - 17.15	£65.00	£65.00	£70.00
17.45 - Close (Friday and Saturday)	£185.00	£185.00	£185.00
17.45 - Close (Sunday Only)	£145.00	£145.00	£145.00
Committee Room at Alfred Rose			
Monday to Friday			
8.00 - 13.00	£22.50	£22.50	£22.50
13.30 - 17.15	£22.50	£22.50	£22.50
17.45 - Close	£31.50	£31.50	£31.50
Saturday and Sunday			
8.00 - 13.00	£22.50	£22.50	£22.50
13.30 - 17.15	£22.50	£22.50	£22.50
17.45 - Close	£44.50	£44.50	£44.50
Committee Room at Alfred Rose (parties) – from 2018/19 charges as per above			
Monday to Thursday			
8.00 - 13.00	£29.00	£29.00	N/A
13.30 - 17.15	£29.00	£29.00	N/A
17.45 – Close	£68.50	£68.50	N/A
Friday, Saturday and Sunday	2016/17	2017/18	2018/19

8.00 - 13.00	£29.00	£29.00	N/A
13.30 - 17.15	£39.00	£39.00	N/A
17.45 - 23.30 (Friday and Saturday)	£68.50	£68.50	N/A
17.45 - 22.30 (Sunday Only)	£58.00	£58.00	N/A
Bank Holidays - as rates above other than New Years Eve			
New Years Eve	£280.00	£280.00	£285.00
Adhoc Prices			
2 Hour Mon - Fri 9.00-17.30 promotional rate	£20.00	£20.00	£20.00
2 Hour Mon – Fri early evening promotional rate	N/A	N/A	£31.00
Alfred Rose Committee Room. (If Main Hall is booked, hire committee room for just an additional £10.00 per session)	£10.00	£10.00	£10.00
Public Liability Insurance for voluntary groups, individuals and private parties			
	£8.00	£8.00	£8.00
Play Services (VAT exempt) – This facility has now closed			
Holiday Playscheme - 8.00 - 6.30	£30.00	£30.00	N/A
Holiday Playscheme - 8.30 - 3.30	£22.50	£22.50	N/A
Holiday Playscheme - 8.00 - 12.30	£16.00	£16.00	N/A
Holiday Playscheme - 12.30 - 5.00	£16.00	£16.00	N/A
After School Club - 3 - 6.00	£8.50	£8.50	N/A
School Escort Service on Foot (daily charge)	£1.50	£1.50	N/A
School Escort Service by Minibus (cost for 5 days)	£18.00	£18.00	N/A
School Escort Service by Taxi (Buckingham Park)	£3.00	£3.00	N/A
School Escort Service by Taxi (Elmhurst)	£2.00	£2.00	N/A
Jonathan Page Play Centre - All Community Bookings - Main Hall			
Monday to Friday			
17.45 - Close	£45.00	£45.00	N/A
Saturday, Sunday & Bank Holiday			
8.00 - 13.00	£40.00	£40.00	N/A
13.30 - 17.15	£40.00	£40.00	N/A
17.45 - Close	£70.00	£70.00	N/A
Local Authority / Commercial Bookings - Main Hall			
Monday to Friday			
8.00 - 13.00	N/A	N/A	N/A
13.30 - 17.15	N/A	N/A	N/A
17.45 - Close	£130.00	£130.00	N/A
Saturday, Sunday & Bank Holiday			
8.00 - 13.00	£65.00	£65.00	N/A
13.30 - 17.15	£65.00	£65.00	N/A
17.45 - Close	£150.00	£150.00	N/A
All PRIVATE parties, not organised by companies, clubs where Public Liability insurance is not in place.			
	£7.00	£7.00	N/A

Regular Activities	2016/17	2017/18	2018/19
Tuesday / Thursday Club	£6.00	£6.00	N/A
Doorways	£5.00	£5.00	N/A
Energise Gold	£5.00	£5.00	N/A
Events on AVDC Land (See Notes below)	Per Week	Per Week	Per Week
Regular Activity i.e. Commercial Fitness trainer / personal trainer 1 or 2 sessions per week.	£12.00	£12.00	£12.00
Regular Activity - 3 or 4 sessions per week.	£18.00	£18.00	£19.00
Regular Activity - 5 or more sessions per week.	£24.00	£24.00	£25.00
	Per Day	Per Day	
Birthday party with only a small bouncy castle or small gazebo (for individuals looking to hire a park for a family party excluding 18 th or 21 st parties). This fee is not eligible for charity or public sector discount.	£30.00	£30.00	£31.00
Birthday party with a large bouncy castle, marquee or other equipment (for individuals looking to hire a park for a family party excluding 18 th or 21 st parties). This fee is not eligible for charity or public sector discount.	£60.00	£60.00	£62.00
Small event (i.e. expected attendance up to 300 people per day)	£240.00	£240.00	£249.00
Medium sized event (expected attendance of up to 999 per day)	£330.00	£330.00	£343.00
Fair or major ticketed event and also other events with expected attendance over 1000 per day.	£480.00	£480.00	£499.00
Get in/out days (for events which require the use of the land on days either side of the event day to set up and /or clear down)	£120.00	£120.00	£125.00
A discount may be applied for charitable "not for profit" events.			
Terms and conditions apply as per event booking agreement.			
1. Terms and conditions apply to all event organisers.			
2. A discount may apply for registered charitable and not for profit community activities.			
3. The Council may require a refundable deposit to be paid in advance of an event as security. Any unused deposit will be refunded as soon as practicable following the event. However if the Council incurs costs and expenses arising from the event the deposit or a part thereof will be retained by the Council in payment or part payment of the amount owing. In the event of any shortfall between the deposit and the actual costs and expenses, the applicant will remain liable for payment of the balance on demand. Any additional costs or reinstatement costs including grounds maintenance, cleaning, litter picking or any other associated costs arising from the event which the Council incurs in the granting of this permission will be charged by the Council on an hourly rate for Officer time and any contractor costs will be passed to the event organiser e.g. clearance of litter after the event/reinstatement of land damaged as part of the event.			
4. Expected attendance numbers are included as a guideline to the size and extent of your event only. No refund will be provided if attendance numbers are lower than expected at your event. See events on AVDC land application pack for further details.			
5. Any event will be charged on a half day or whole day basis i.e. up to 12.00 is half day. There is no allowance for charging by the hour. Event organisers must therefore be off site by 12.00 or they will be charged the full day rate.			
6. Fees and deposit will be payable no later than 2 weeks before the event date. Once the event pack application has been completed and returned and signed off by AVDC officers, payment must be provided with the completed signed event agreement.			
7. If fees and deposit are not received by the deadline set, AVDC will not give permission for the event to proceed and access to the site will not be granted.			

Biodiversity and Trees	2016/17	2017/18	2018/19
Biodiversity Screening of Properties for Protected Species	£70.00	£70.00	£74.00
Specialist Tree Advice Relating to Planning	£70.00	£70.00	£74.00
Town Centre Management	2016/17	2017/18	2018/19
Letting of Space in the Town Centre to Commercial Promoters	£50.00- £100.00	£50.00- £100.00	£40.00- £110.00
Fee for Town Centre Partnership	£30.00- £3,000.00	£30.00- £3,000.00	£30.00- £3,000.00
Market Traders Pitch Fee (Depends upon day / trader)	£14.30- £35.70	£14.30- £35.70	£14.30- £35.70
Sponsorship	£100.00- £2,000.00	£100.00- £2,000.00	£100.00- £2,000.00
Pedlars at Christmas Events	£30.00	£30.00	£30.00
Funfair at Christmas Events	£1,200.00	£1,200.00	£1,200.00
Housing	2016/17	2017/18	2018/19
Advertising on Bucks Home Choice	£65.00	£65.00	£69.00
Advertising on Bucks Home Choice (Direct Access to System)	£52.00	£52.00	£55.00
Preferred Development Partners	£7,500.00	£7,500.00	£7,948.00
Legal and Local Land Charges	2016/17	2017/18	2018/19
Full Official Search Fee	£99.00	£112.90	£112.9
LLC1 Form -			
Search in: the whole of the register	£20.00	£24.10	£24.10
Search in: any one part of the register	£2.50	£2.50	£2.50
Search in: additional parcel of land	£5.00	£6.00	£6.00
CON29R – Standard enquiries – One parcel of land only	£79.00	£88.80	£88.80
CON29R – Required enquiries – Additional parcels of land (Made up of LLC1 charge £6.00 and CON29R charge £16.80)	£16.00	£22.80	£22.80
CON29 – Optional enquiries			
- 4 Road proposals by private bodies	£0.00 ¹	£0.00 ¹	£0.00 ¹
- 5 Advertisements	£7.20	£7.20	£7.20
- 6 Completion notices	£7.20	£7.20	£7.20
- 7 Parks & countryside	£9.60	£9.60	£9.60
- 8 Pipelines	£12.00	£12.00	£12.00
- 9 Houses in multiple occupation	£15.60	£15.60	£15.60
- 10 Noise abatement	£15.60	£15.60	£15.60
- 11 Urban development areas	£7.20	£7.20	£7.20
- 12 Enterprise zones, local development order & bids	£9.60	£9.60	£9.60
- 13 Inner urban improvement areas	£7.20	£7.20	£7.20
- 14 Simplified planning zones	£7.20	£7.20	£7.20
- 15 Land maintenance notices	£7.20	£7.20	£7.20
- 16 Mineral consultaion and safeguarding areas	£12.00 ²	£12.00 ²	£12.00 ²
- 17 Hazardous substance consents	£7.20	£7.20	£7.20
- 18 Environmental & pollution notices	£15.60	£15.60	£15.60
- 19 Food safety notices	£15.60	£15.60	£15.60
- 20 Hedgerow notices	£7.20	£7.20	£7.20
- 21 Flood defence & land drainage consents	£12.00 ²	£12.00 ²	£12.00 ²
- 22 Common land & town or village green	£15.60 ²	£15.60 ²	£15.60 ²
¹ Please note this Authority is unable to respond to enquiry 4. If the enquiry is requested a standard response reflecting this will be given.			
² The actual fee is subject to change to reflect any increase in search fees levied by the County Council			
Planning Radius Enquiry	£12.00	£7.20	£7.20

Local Land Charges (Fees are prescribed by the Lord Chancellor)	2016/17	2017/18	2018/19
Registration of a charge in Part 11 of the register (light obstruction notices)	£67.00	£67.00	£67.00
Filing a definitive certificate of the Lands Tribunal under rule 10(3)	£2.50	£2.50	£2.50
Filing a judgment, order or application for the variation or cancellation of any entry in Part 11 of the register (light obstruction charges)	£7.00	£7.00	£7.00
Inspection of documents filed under rule 10 in respect of each parcel of land	£2.50	£2.50	£2.50
* Personal search in the whole or in part of the register in respect of one parcel of land	N/A	N/A	N/A
* In respect of each additional parcel, subject to a maximum of £16.00 (previously £13.00)	N/A	N/A	N/A
Official search (including issue of official certificate of search) in respect of one parcel of land:			
(a) in any one part of the register	£2.50	£2.50	£2.50
(b) in the whole of the register -			
(i) where the requisition is made by electronic means in accordance with rule 16; and	£20.00	£24.10	£24.10
(ii) in any other case	£20.00	£24.10	£24.10
(iii) in respect of each additional parcel of land	£5.00	£6.00	£6.00
Office copy of any entry in the register (not including a copy or extract of any plan or document filed pursuant to these Rules)	£0.40	£0.40	£0.40
Property and Contracts Section	2016/17	2017/18	2018/19
DS1 (Mortgage vacating) and DS3 (for part of land in a charge). Administration Fee.	£50.00	£50.00	£50.00
Deed of Rectification	£450.00	£450.00	£450.00
Deed of Release	£450.00	£450.00	£450.00
Notice of Assignment of Lease of Mortgage	£50.00	£50.00	£50.00
Open Space Deed	£850.00	£850.00	£850.00
Deed Concerning: Grant of Release, Assignment of Lease, Licence for change of use, Licence to Occupy, Wayleave, Access to realty, Easement and Deed of Variation.	£450.00	£450.00	£450.00
Sale of Land	£450.00	£450.00	£450.00
Planning	2016/17	2017/18	2018/19
Monitoring and Administering S.106 Agreements			
Pre-commencement Contribution, if below £40,000	£400.00	£400.00	£400.00
Pre-commencement Contribution, above £40,000	£600.00	£600.00	£600.00
Payment at later date, multiple payments or on-site provision of affordable housing	£600.00	£600.00	£600.00
Provision of on-site open space:	Per acre	Per acre	
• Not to be adopted	£1,000.00	£1,000.00	£1,000.00
• To be adopted (*)	£2,500.00	£2,500.00	£2,500.00
(*) if a bond is lodged, a bond fee is required.	£200.00	£200.00	£200.00
Pre-Application Advice – Householder & General Enquires			
Do I need planning permission?	£60.00	£60.00	£64.00
Will I get planning permission?	£60.00	£60.00	£64.00
Do I need & Will I get permission	£90.00	£90.00	£95.00
Planning History Check	£60.00	£60.00	£64.00
Validation Application			
Invalid Charge*			
- Planning application householder	£25.00	£25.00	£26.00
- Planning application – other	£50.00	£50.00	£53.00
Validity Check	£25.00	£25.00	£26.00
Invalid check LDO	£30.00	£30.00	£32.00
Invalid Charge * - where an application fails to meet requirement of our validation checklist and additional information is not received within the specified period the application will be disposed and charge levied.			

Pre-Application Advice – New Dwellings	2016/17	2017/18	2018/19
1 dwelling <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	£200.00 £350.00 £350.00	£200.00 £350.00 £350.00	£212.00 £371.00 £371.00
2-4 dwellings <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	£300.00 £450.00 £450.00	£300.00 £450.00 £450.00	£318.00 £477.00 £477.00
5-10 dwellings <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	£400.00 £600.00 £600.00	£400.00 £600.00 £600.00	£424.00 £636.00 £636.00
11-24 dwellings <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	£600.00 £800.00 £800.00	£600.00 £800.00 £800.00	£636.00 £848.00 £848.00
25 or more dwellings <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	Relevant flat fee now stated	Relevant flat fee now stated	Relevant flat fee now stated
25-29 dwellings <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	£800.00 £1,000.00 £1,000.00	£800.00 £1,000.00 £1,000.00	£848.00 £1,060.00 £1,060.00
30-39 dwellings <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	£1,200.00 £1,400.00 £1,400.00	£1,200.00 £1,400.00 £1,400.00	£1,272 £1,484 £1,484
40-49 dwellings <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	£1,500.00 £1,700.00 £1,700.00	£1,500.00 £1,700.00 £1,700.00	£1,590 £1,802 £1,802
Over 50 dwellings	Bespoke or PPA	Bespoke or PPA	Bespoke or PPA
Pre-Application Advice – Other Proposals			
0-100m ² <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	£60.00 £90.00 £60.00	£60.00 £90.00 £60.00	£64.00 £95.00 £64.00
101-500m ² <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	£300.00 £450.00 £450.00	£300.00 £450.00 £450.00	£318.00 £477.00 £477.00

501-1,000m ² <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up (additional charge) 	£400.00 £400.00 £600.00	£400.00 £400.00 £600.00	£424.00 £424.00 £636.00
1,000-1,999m ² <ul style="list-style-type: none"> written advice office based meeting followed by written advice subsequent meeting with follow up 	£400.00 £600.00 £600.00	£400.00 £600.00 £600.00	£424.00 £636.00 £636.00
Over 2,000m ²	Bespoke or PPA	Bespoke or PPA	Bespoke or PPA
Historic Buildings Pre Purchase Advice and Compliance Checking	2016/17	2017/18	2018/19
Level 1 – Meeting on site with Historic Buildings Officer <ul style="list-style-type: none"> Initial Request Fee (first hour of officer time) Additional officer time 	£180.00 £60.00	£180.00 £60.00	£191.00 £64.00
Level 2 – Urgent site meeting with Historic Buildings Officer (within maximum of 10 working days) <ul style="list-style-type: none"> Initial Request Fee (first hour of officer time) Additional officer time 	£300.00 £60.00	£300.00 £60.00	£318.00 £64.00
Listed Buildings Repairs and Design Advice for Alterations and Extensions			
Level 1 – Written advice only, based upon attached submitted material <ul style="list-style-type: none"> Initial Request Fee (first hour of officer time) Additional officer time 	£60.00 £60.00	£60.00 £60.00	£64.00 £64.00
Level 2 – Meeting at the AVDC offices to discuss works with the Historic Buildings officer <ul style="list-style-type: none"> Initial Request Fee (first hour of officer time) Additional officer time 	£60.00 £60.00	£60.00 £60.00	£64.00 £64.00
Level 3 – Site Meeting to discuss works with the Historic Buildings officer <ul style="list-style-type: none"> Initial Request Fee (first hour of officer time) Additional officer time 	£180.00 £60.00	£180.00 £60.00	£191.00 £60.00
Level 4 – Urgent Site Meeting to discuss works with the Historic Buildings officer (within maximum of 10 working days) <ul style="list-style-type: none"> Initial Request Fee (first hour of officer time) Additional officer time 	£300.00 £60.00	£300.00 £60.00	£318.00 £64.00
Biodiversity & Trees			
Screening visit to advise whether an ecological assessment required	£70.00	£70.00	£74.00
Specialist tree advice relating to planning	£70.00	£70.00	£74.00
Enhanced Copy Document Service Charges			
Pre Application/Appeal <ul style="list-style-type: none"> First A3/A4 side Each additional side up to a maximum of 30 sides A0, A1 or A2 plan 	£14.00 £0.70 £19.00	£14.00 £0.70 £19.00	£15.00 £1.00 £20.00
Premium Service for fast track advice where appropriate	Bespoke	Bespoke	Bespoke

Parking Services	2016/17	2017/18	2018/19
Exchange St, Upper Hundreds, Waterside, Coopers Yard and Hale Street (1 hour max)			
30 minutes (Exchange Street only)	£0.80	£0.80	£0.80
Up to 1 hour	£1.50	£1.50	£1.50
Up to 2 hours (Waterside Levels 1&2 only, max stay 2 hours)	£2.00	£2.00	£2.00
Up to 3 hours	£2.50	£2.50	£2.50
Up to 4 hours	£3.50	£3.50	£3.50
Up to 5 hours	£5.00	£5.00	£5.00
Up to 24 hours	£8.00	£8.00	£8.00
Hampden House, Whitehall Street, Friarscroft, Walton Green, Walton Street, Aqua Vale and Swan Pool			
Up to 2 hours (Aqua Vale and Swan Pool only)	£2.00	£2.00	£2.00
Up to 4 hours (Aqua Vale and Swan Pool only)	£6.00	£6.00	£6.00
Up to 5 hours (Whitehall St, Hampden House and Walton St)	£2.50	£2.50	£2.50
Up to 24 hours (Friarscroft and Walton Green)	£3.00	£3.00	£3.00
Up to 24 hours (Hampden House, Walton St and Whitehall St)	£4.00	£4.00	£4.00
Up to 24 hours (Aqua Vale and Swan Pool)	£10.00	£10.00	£10.00
Anchor Lane (Blue Badge Holders Only)	Free	Free	Free
Sunday and Public Holidays	£1.50	£1.50	£1.50
Evening Charge (Aylesbury car parks)	N/A	N/A	N/A
Cornwalls Meadow, Wendover and Winslow Market Square.			
Up to 1 hour (Wendover and Winslow Market Square)	Free	Free	Free
Up to 2 hours (Winslow Market Square)	£0.20	£0.20	£0.20
Up to 2 hours (Wendover only)	£0.50	£0.50	£0.50
Up to 3 hours (Wendover only)	£0.70	£0.70	£0.70
Up to 4 hours	£1.00	£1.00	£1.00
Up to 5 hours	£1.50	£1.50	£1.50
Up to 24 hours (Cornwalls Meadow)	£2.50	£2.50	£2.50
Up to 24 hours (Wendover)	£4.00	£4.00	£4.00
Western Avenue, Stratford Fields and Greyhound Lane	Free	Free	Free
Annual Permits			
• Exchange Street, Upper Hundreds and Waterside Level 3	£1,400.00	£1,400.00	£1,400.00
• Coopers Yards and Whitehall Street	£900.00	£900.00	£900.00
• Hampden House	£700.00	£700.00	£700.00
• Walton Street, Friarscroft and Walton Green	£800.00	£800.00	£800.00
Equipment Hire per day			
• Wheelchair	£3.00	£3.00	£3.50
• Scooter	£5.00	£5.00	£5.50
ENVIRONMENT AND HEALTH	2016/17	2017/18	2018/19
Dog Warden Fee	£25.00	£25.00	£25.00
Dog Warden Administration Costs	£50.00	£50.00	£50.00
Enforcement Activity			
Environmental Information Requests (per hour)	£25.00	£25.00	£25.00
Food Health Export Certificates	£32.00	£32.00	£34.00
Food Health Export Certificates posted plus scanned copy	N/A	N/A	£38.00
Food Health Export Certificates – Witnessed	£83.00	£83.00	£88.00
Acupuncture Licence	£145.00	£145.00	£154.00
Electrolysis Licence	£145.00	£145.00	£154.00
Piercing Licence	£145.00	£145.00	£154.00
Tattooing Licence	£145.00	£145.00	£154.00
Variation or change of name on licence	£26.00	£26.00	£28.00
Smoking in the workplace or work vehicle (£25.00 if paid in 15 days)	£50.00	£50.00	£53.00
Failure to display no smoking signs (£150.00 if paid in 15 days)	£200.00	£200.00	£212.00

Penalty for failure to comply with notice under the Smoke Alarm and Carbon Monoxide (England) Regulation 2014	£5,000.00	£5,000.00	£5,299
Public Health			
Dog Fouling Fixed Penalty Notice	£50.00	£50.00	£50.00
Provision of No Fouling Signage to Parishes (adhesive) (10 signs)	£8.00	£8.00	£8.00
Provision of No Fouling Signage to Parishes (metal)	£7.00	£7.00	£7.00
Water Sampling – Check monitoring for one location and risk assessment	£235.00	£235.00	£249.00
Water Sampling – Check monitoring for one location	£156.00	£156.00	£165.00
Water Sampling – Each additional location	£45.00	£45.00	£48.00
Water Sampling – Audit monitoring only up to	£500.00	£500.00	£500.00
Water Sampling – Risk assessment only – no water sampling	£132.00	£132.00	£140.00
Premises Licensing			
Personal Licence Application	£37.00	£37.00	£37.00
Copy Personal Licence	£10.50	£10.50	£10.50
Change of name or address notification for Personal Licence	£10.50	£10.50	£10.50
Premises / Club Premises Licence new application	R.V.	R.V.	R.V.
Premises Licence annual fee including club premises	R.V.	R.V.	R.V.
Application for a copy of premises licence or summary on theft, loss	£10.50	£10.50	£10.50
Change of name or address notification for Premises Licence	£10.50	£10.50	£10.50
Application to vary specified individual as premises supervisor	£23.00	£23.00	£23.00
Application to Transfer a Premises Licence	£23.00	£23.00	£23.00
Interim Authority Licence	£23.00	£23.00	£23.00
Club Premise – Application for a provisional statement	£315.00	£315.00	£315.00
Temporary Event Notice	£21.00	£21.00	£21.00
Miscellaneous Licensing			
Riding Establishment Licence Fee (fee plus £15.00 per horse/pony)	£270.00	£270.00	£275.00
Animal Boarding Establishment Licence Fee (New)	£450.00	£450.00	£486.00
Animal Boarding Establishment Licence Fee (Renewal)	£110.00	£110.00	£119.00
Home Boarding Establishment (New)	£140.00	£140.00	£152.00
Home Boarding Establishment (Renewal)	£100.00	£100.00	£108.00
Breeding of Dogs Licence Fee (New)	£450.00	£450.00	£486.00
Breeding of Dogs Licence Fee (Renewal)	£110.00	£110.00	£119.00
Pet Shop Licence Fee (New)	£230.00	£230.00	£249.00
Pet Shop Licence Fee (Renewal)	£125.00	£125.00	£135.00
Dangerous Wild Animals New Licence Fee (2 years) (plus vet fee)	£370.00	£370.00	£400.00
Dangerous Wild Animals Licence Renewal Fee (2 years) (plus vet fee)	£240.00	£240.00	£254.00
Zoo Licence (New) (plus vet fee)	£600.00	£600.00	£649.00
Zoo Licence (Renewal) (plus vet fee)	£600.00	£600.00	£649.00
Administration Fee – replacement licence, change of address etc.	£25.00	£25.00	£26.00
Street Trading			
Consent Daytime	£6,775.00	£6,775.00	£7,323.00
Consent Evening	£4,246.00	£4,246.00	£4,589.00
Consent Wendover	£2,121.00	£2,121.00	£2,292.00
Kingsbury Pavement licence application fee	£600.00	£600.00	£600.00
Kingsbury Pavement licence application fee – annual renewal fee	£600.00	£600.00	£100.00
Sex Establishment licence (New/Variation/Transfer)	£2,020.00	£2,020.00	£2,020.00
Non Contested Sex Establishment licence (Renewal)	£480.00	£480.00	£480.00
Contested Sex Establishment Renewal	£2,020.00	£2,020.00	£2,020
Gambling Act			
Premises licence – new application	£1,800.00	£1,800.00	£1,908.00
Premises licence – annual fee	£238.00	£238.00	£252.00
Premises licence – application to vary	£646.00	£646.00	£685.00
Premises licence – application to transfer	£625.00	£625.00	£662.00
Premises licence – application for re-instatement	£631.00	£631.00	£669.00
Premises licence – application for provisional statement	£1,800.00	£1,800.00	£1,908.00

Premises licence – application (provisional statement holders)	£631.00	£631.00	£669.00
Copy of Gaming Act licence	£15.50	£15.50	£16.00
Notification of change of circumstances	£25.50	£25.50	£27.00
Unlicensed family entertainment centre – new application or renewal	£300.00	£300.00	£300.00
Small Society Lottery – new application	£40.00	£40.00	£40.00
Small Society Lottery – annual renewal fee	£20.00	£20.00	£20.00
Club Gaming Permit – new application	£200.00	£200.00	£200.00
Club Gaming Permit – annual fee	£50.00	£50.00	£50.00
Club Gaming Permit – renewal fee	£200.00	£200.00	£200.00
Club Gaming Machine Permit (renewable after 10 years)	£200.00	£200.00	£200.00
Alcohol Licensed Premises Gaming Machine Notification (2 or less)	£50.00	£50.00	£50.00
Alcohol Licensed Premises Gaming Machine Notification Transfer(2 or less)	£25.00	£25.00	£25.00
Alcohol Licensed Premises Gaming Machine Notification (more than 2)	£150.00	£150.00	£150.00
Alcohol Licensed Premises Notification Annual Fee (more than 2)	£50.00	£50.00	£50.00
Alcohol Licensed Premises Notification Transfer Fee (more than 2)	£25.00	£25.00	£25.00
Prize Gaming Permit – new application	£300.00	£300.00	£300.00
Prize Gaming Permit – renewal	£300.00	£300.00	£300.00
Prize Gaming Permit – variation	£100.00	£100.00	£100.00
Administration Fee – replacement licence, change name etc.	£25.00	£25.00	£25.00
Miscellaneous fees – copy of permit	£15.00	£15.00	£15.00
Scrap Metal	2016/17	2017/18	2018/19
Scrap Metal site – new application (3 year licence)	£612.00	£612.00	£649.00
Scrap Metal site – renewal (3 year renewal)	£357.00	£357.00	£378.00
Scrap Metal Collectors – new application (3 year licence)	£316.00	£316.00	£335.00
Scrap Metal Collectors – renewal (3 year licence)	£117.00	£117.00	£124.00
Variation of licence type i.e. change from site to collector	£148.00	£148.00	£157.00
Variation of licence i.e. name, site address, named site managers	£64.00	£64.00	£68.00
Reprint of licence	£36.00	£36.00	£38.00
Vehicle window cards	£61.00	£61.00	£65.00
Application assistance	£76.50	£76.50	£81.00
HMO Licensing			
Mandatory licence fee – application	£561.00	£561.00	£595.00
Mandatory licence fee – assistance with application (per hour)	£51.00	£51.00	£54.00
Mandatory licence fee – application administration fee (per 30 minutes)	£10.50	£10.50	£11.00
Additional S527 licence fee – application (Year 1 of scheme) (to 27/06/15)	£393.00	£393.00	£595.00
Additional S527 licence fee – application (Year 2 to 5 of scheme)	£561.00	£561.00	£595.00
Additional S527 licence fee – assistance with application (per hour)	£51.00	£51.00	£54.00
Additional licence fee – application administration fee (per 30 minutes)	£10.50	£10.50	£11.00
Taxi Licensing Hackney Carriage			
Annual licence fee including one test (vehicle under 6 years old)	£331.00	£331.00	£351.00
Annual licence fee including two tests (vehicle over 6 years old)	£372.00	£372.00	£394.00
Annual licence fee (vehicle 9 months to 10 years old)	£279.00	£279.00	£296.00
Annual licence fee (vehicle 6 months to 10 years old)	£186.00	£186.00	£197.00
Annual licence fee (vehicle 3 months to 10 years old)	£93.00	£93.00	£99.00
Replacement vehicle to expire on original licence date	£70.00	£70.00	£74.00
Insurance replacement vehicle	£200.00	£200.00	£212.00
Change of vehicle licence owner	£16.00	£16.00	£17.00
Taxi Licensing Private Hire			
Annual licence fee including one test (vehicle under 6 years old)	£303.00	£303.00	£321.00
Annual licence fee including two tests (vehicle over 6 years old)	£342.00	£342.00	£362.00
Annual licence fee (vehicle 9 months to 10 years old)	£256.00	£256.00	£271.00
Annual licence fee (vehicle 6 months to 10 years old)	£171.00	£171.00	£181.00
Annual licence fee (vehicle 3 months to 10 years old)	£85.00	£85.00	£90.00
Replacement vehicle to expire on original licence date	£70.00	£70.00	£74.00
Insurance replacement vehicle	£200.00	£200.00	£212.00
Change of vehicle licence owner	£16.00	£16.00	£17.00

Operator's licence – annual fee	£203.00	£203.00	£215.00
Miscellaneous			
Executive plate	£54.00	£54.00	£57.00
Replacement vehicle licence plate with bracket	£30.00	£30.00	£32.00
Replacement vehicle licence plate only	£22.00	£22.00	£23.00
Replacement bracket only	£8.00	£8.00	£8.00
Replacement vehicle window card	£20.00	£20.00	£21.00
Replacement door signs (each)	£16.00	£16.00	£17.00
Replacement drivers badge	£25.00	£25.00	£26.00
Replacement drivers lanyard	£6.00	£6.00	£6.00
Reprint of licence (driver, vehicle or operator) to be posted	£16.00	£16.00	£17.00
Reprint of licence (driver, vehicle or operator) to be emailed	£12.00	£12.00	£13.00
Replacement hackney carriage laminated tariff card and wallet	£10.00	£10.00	£11.00
Vehicle re-test within 14 days	£28.00	£28.00	£30.00
Vehicle re-test after 14 days of first test	£41.00	£41.00	£43.00
Non attendance at a vehicle inspection without 24 hours notice	£75.00	£75.00	£79.00
Drivers licence renewal (before previous licence expires)	£135.00	£135.00	£143.00
Drivers licence for one year (including knowledge test)	£79.00	£79.00	£84.00
Drivers licence for three years (including knowledge test)	£156.00	£156.00	£165.00
Knowledge test – retest	£24.00	£24.00	£25.00
Criminal Records Bureau check (enhanced) on line	£44.00	£44.00	£47.00
Criminal Records Bureau check (enhanced) via email	£60.00	£60.00	£64.00
LAPPC (Local Authority Pollution Prevention and Control)			
Application fee – standard process (includes solvent emission)	£1,579.00	£1,650.00	£1,650.00
Additional fee for operating without a permit	£1,337.00	£1,188.00	£1,188.00
PVR I, SWOBS and dry cleaners	£148.00	£155.00	£155.00
PVR I & II combined	£246.00	£257.00	£257.00
VRs and other reduced fee activities	£346.00	£362.00	£362.00
Reduced fee activities – additional fee for operating without a permit	£68.00	£71.00	£71.00
Mobile plant	£1,579.00	£1,650.00	£1,650.00
Mobile plant for the third to seventh applications	£943.00	£985.00	£985.00
Mobile plant for the eighth and subsequent applications	£477.00	£498.00	£498.00
If application is for a combined part B and waste application add extra	£297.00	£310.00	£310.00
Annual Subsistence – standard process low	£739.00	£772.00 (+£104.00)*	£772.00 (+£104.00)*
Annual Subsistence – standard process medium	£1,111.00	£1,161.00 (+156.00)*	£1,161.00 (+156.00)*
Annual Subsistence – standard process high	£1,672.00	£1,747.00 (+£207.00)*	£1,747.00 (+£207.00)*
Annual Subsistence – PVR I, SWOBS and Dry Cleaners Low	£76.00	£79.00	£79.00
Annual Subsistence – PVR I, SWOBS and Dry Cleaners Medium	£151.00	£158.00	£158.00
Annual Subsistence – PVR I, SWOBS and Dry Cleaners High	£227.00	£237.00	£237.00
Annual Subsistence – PVR I & II combined Low	£108.00	£113.00	£113.00
Annual Subsistence – PVR I & II combined Medium	£216.00	£226.00	£226.00
Annual Subsistence – PVR I & II combined High	£326.00	£341.00	£341.00
Annual Subsistence – VRs and other reduced fees Low	£218.00	£228.00	£228.00
Annual Subsistence – VRs and other reduced fees Medium	£349.00	£365.00	£365.00
Annual Subsistence – VRs and other reduced fees High	£524.00	£548.00	£548.00
Annual Subsistence – Mobile plant for first and second permits Low	£618.00	£626.00	£626.00
Annual Subsistence – Mobile plant for first and second permits Medium	£989.00	£1,034.00	£1,034.00
Annual Subsistence – Mobile plant for first and second permits High	£1,484.00	£1,551.00	£1,551.00
Annual Subsistence – Mobile plant for third to seventh permits Low	£368.00	£385.00	£385.00
Annual Subsistence – Mobile plant for third to seventh permits Medium	£590.00	£617.00	£617.00
Annual Subsistence – Mobile plant for third to seventh permits High	£884.00	£924.00	£924.00
Annual Subsistence – Mobile plant for eighth & subsequent permits Low	£189.00	£198.00	£198.00
Annual Subsistence – Mobile plant for eighth & subsequent permits Med	£302.00	£316.00	£316.00
Annual Subsistence – Mobile plant for eighth & subsequent permits High	£453.00	£473.00	£473.00
*the additional amounts in brackets must be charged where a permit is for a combination Part B and waste installation			

Late payment fee	£50.00	£52.00	£52.00
Transfer and Surrender – Standard process	£162.00	£169.00	£169.00
Transfer and Surrender – Standard process partial transfer	£476.00	£497.00	£497.00
New operator at low risk fee activity	£75.00	£78.00	£78.00
Reduced fee activities – partial transfer	£45.00	£47.00	£47.00
Temporary transfer – first transfer	£51.00	£53.00	£53.00
Temporary transfer – repeat following enforcement or warning	£51.00	£53.00	£53.00
Substantial change – standard process	£1,005.00	£1,050.00	£1,050.00
Substantial change – where change results in a new PPC activity	£1,579.00	£1,650	£1,650
Substantial change – reduced fees activities	£98.00	£102.00	£102.00
Contract Services	2016/17	2017/18	2018/19
Garden Waste			
Garden Waste	£40.00	£40.00	£45.00
Garden Waste administration fee for non direct debit payers	£4.50	£0.00	£0.00
Street Bins			
Dog Bin and Installation	£374.00	£374.00	£380.00
Dog Bin Relocation	£126.00	£126.00	£130.00
Dog Bin Empty – from 2018/19 annual charge, prior years per empty			
- 52 empties	£1.38	£1.38	£61.50
- 78 empties	£1.33	£1.33	£88.00
- 104 empties	£1.30	£1.30	£115.00
Litter Bins	£61.00	£61.00	£63.00
Waste Container Charges			
Full set (new home – including kitchen caddy & bags)	£120.00	£120.00	£120.00
Replacement food caddy	£10.00	£10.00	£10.00
Replacement refuse bin	£30.00	£30.00	£30.00
Replacement recycling bin	£10.00	£10.00	£10.00
Other			
Bulky Waste Collection - minimum charge for up to three items	£75.00	£75.00	£75.00
Bulky Waste Collection – charge for each additional item to a maximum of 8 items	£5.00	£5.00	£5.00
Removal of waste from private land (including managing agents requests)	£60.00	£150.00	£155.00
Waste Sacks (50 sacks)	£90.00	£90.00	£95.00
Recycling Sacks (100 sacks)	£85.00	£85.00	£90.00
MOT Licence (Taxi)	£43.00	£50.00	£52.00
MOT Licence (External)	£40.00	£40.00	£44.00
MOT Retest	£21.00	£25.00	£26.00
Street Naming and Numbering	2016/17	2017/18	2018/19
House name change	£60.00	£60.00	£64.00
Alias house name addition/change	£60.00	£60.00	£64.00
New dwelling(s) in existing street	£175.00	£175.00	£185.00
New dwelling(s) in a new street (charge per street)	£260.00	£260.00	£276.00
New dwelling in existing street (discounted for using out BC services)	£131.25	£131.25	£139.00
New dwelling(s) in a new street (charge per street) (discounted for using our BC services)	£195.00	£195.00	£207.00
Rename of a street when requested by residents	£340.00	£340.00	£360.00
Rename of a street – charge per property	£32.00	£32.00	£34.00

Cabinet
11 December 2017

CAPITAL PROGRAMME UPDATE 2018/19-2021/22
Councillor Mordue
Cabinet Member for Resources Governance and Compliance

1 Purpose

- 1.1 This report gives an update on the capital programme for the current year and sets out a revised programme for 2018/19 onwards. The Cabinet's comments will be passed to the Finance and Services Scrutiny Committee for review as required under policy framework requirements. After consideration of the review by scrutiny, Cabinet will be required to make formal proposals to Council on 31 January 2018.

2 Recommendations/for decision

- | | |
|-----|---|
| 2.1 | Consider the updated Capital Programme for 2018/19 onwards as set out in Appendix A and if in agreement |
| 2.2 | Request the Finance and Service Scrutiny Committee to review and comment on the programme prior to Cabinet making its final recommendations to Council in the New Year. |

3 Executive summary (if longer than 2 pages)

- 3.1 This report sets out the Capital Programme for 2018/19 onwards. It has been updated by changes agreed by Council and Cabinet during the last year, and sets out a high level update on the main themes in the Programme. The report's outcome, following any comment, will move forward into the main budget setting process.

4 Background

- 4.1 The Council maintains an integrated strategic capital programme which is divided into three main sections.
- Major Projects – These being the largest and highest profile.
 - Housing Schemes – Being the housing enabling and housing grant based schemes.
 - Other Projects – Being all the other schemes included within the capital programme.
- 4.2 The programme is reviewed annually with the current programme being last approved and adopted at Council in February 2017. Since then, the programme has been altered and amended on several occasions in response to organisational pressures, and agreements with Cabinet and Council where necessary, this report reflects all those changes.
- 4.3 This report also provides an updated position with respect to forecast receipts and the position with regards to current and future major investment projects.

Capital Resources Update

- 4.4 The UK economy is still reacting after the decision to leave the European Union and will continue to do so. Whilst, the pound fell during the summer period, it has started to slowly rise towards the end of the year (albeit from a low level). Exports have continued to rise, but as yet it is not clear the effect

that the recent rise of 0.25% on interest rates will have on the housing market and therefore the demand for land and its value overall.

- 4.5 The annual rate of house price growth picked up slightly in October to 2.5%, from a revised 2.3% in September. Nevertheless, annual house price growth remains within the 2 - 4% range that has prevailed since March. This slowdown has had an effect on the anticipated income from Right to Buy sales, which is one of the Council's residual major sources of capital income.
- 4.6 The number of house sale completions over the last couple of years has consistently fallen. Based on the year to date position, VAHT are forecasting 26 sales, equivalent to £2.5 million.
- 4.7 The 10 year VAT shelter put in place following the stock transfer has now ended. This proved valuable in funding housing investment and community projects (known as 'Community Chest') but will now no longer appear in the programme going forward.
- 4.8 These factors do have a bearing on the available resources for the capital programme. Any decrease in anticipated resources effectively reduces the level of resources available to fund new schemes and so increases the necessity of more borrowing as last resort financing.
- 4.9 The changes in anticipated resources which need to be factored into the programme are as follows:
- a) Share of house sale receipts from VAHT - these flow from the stock transfer agreement and run for 25 years from the transfer date. The number of sales has been forecast to be 26 for 2017/18, with the same number being forecast for 2018/19.
 - b) Asset Sales - these are sums released from disposal of Council-owned assets mainly land or property.
 - c) Lottery, Grants & Section 106 – This relates to external resources not related to asset sales.
 - d) Revenue Contribution – Currently there are not expected to be any contributions from revenue to supplement existing capital resources other than planned contributions from the New Homes Bonus pot.
- 4.10 The table below sets out the available resources at the beginning of 2017/18 and projected resources during 2017/18 and 2018/19, before any expenditure has been taken into account.

	Current Resources April 2017 £'000s	Resources Projection March 2018 £'000s
Balance of Capital Resources	9,752	9,374
Share of Right to Buy Receipts	2,500	2,500
Asset Sales	910	410
Lottery, Grants and Section 106	0	3,300

Revenue Contributions (NHB)	5,466	327
Total End of Year	18,628	15,911

- 4.11 We have been in the position for some time where the generation of sizeable capital receipts is no longer likely to be possible as our asset base has been reduced to small land holdings and our operational buildings i.e. offices, leisure facilities, public conveniences etc. However, the Council does still accrue some small receipts from parcels of land and capital repayments from some loans.
- 4.12 These small receipts are not sufficient to fund significant works and so this means that future commitment to projects can only be given on the understanding that the funding will have to be met from external sources. In this instance, external resources mean either borrowing or third party contributions. This significantly reduces our ability to deliver capital schemes which do not in themselves produce a positive business case.
- 4.13 An ongoing programme of review of our capital assets is continuing. This will examine our current assets against future demands and needs, and may produce some future capital receipts, however at this stage it is too early to make any forecasts. Even if this is the case, it will simply reduce the level of borrowing that will be required for the programme overall.

Capital Expenditure

- 4.14 The capital programme is attached as Appendix A. As it is split into three sections, Major Projects, Housing Schemes and Other Projects, these are covered separately.

Major Projects

- 4.15 The following are listed under the Major Projects section – The Exchange Development, Pembroke Road depot, Silverstone Racing Circuit and the provision of a loan facility for a commercial investment strategy. The capital programme includes the latest forecast costs for the individual schemes and reflects the current position.

The Exchange

- 4.16 The Exchange scheme commenced in January 2017 and consists of four restaurants, with 47 one and two bedroom apartments above and a new public square should be completed by autumn 2018. The scheme will also provide some commercial space facing Long Lion which could be used in a variety of ways including retail, more food and beverage or offices.
- 4.17 The expenditure and funding for these schemes is built in to the Capital Programme as planned.

Depot - Pembroke Road

- 4.18 At its meeting on the 26th October 2016 Council agreed to a scheme to develop the existing waste and recycling depot site at Pembroke Road. Refuse vehicles that serve the District are also being renewed and are addressed under the 'Other Projects' category below.

- 4.19 The total scheme cost is £9.2 million, of which £1.9 million would only be required if there was sufficient evidence of the demand and take up for the expanded vehicle testing facilities.
- 4.20 The report and business case was predicated on the cost of scheme being met from borrowing, whilst recognising that the amount might be reduced if there are additional capital resources received during the year.
- 4.21 This year's review has identified that the Council is carrying some additional resources accumulated from small sales and capital loan repayments. This means that the Council is holding a balance of unallocated resources which it could apply in lieu of borrowing in 2018/19. The Programme presented in the Appendix still includes the same assumed borrowing included last year that was associated with this scheme. However, if no new need presents itself then it is recommended that next year's review includes the application of balances in lieu of borrowing as a mechanism to reduce borrowing costs.
- 4.22 The review of resources undertaken within this report continues to balance the Council's need to invest in schemes with the anticipated unallocated resources available to it. Borrowing is not usually earmarked for individual purposes but instead intended to cover any gap between spending and income.

Silverstone Racing Circuit

- 4.23 At its meeting on the 14th September 2016 Council agreed to be part of a joint funding arrangement for a new Silverstone Heritage Centre by contributing £2 million by way of a loan facility.
- 4.24 This is levered by a £9.3m Heritage Lottery fund award and financial commitments provided by surrounding councils and the two LEPS. Together, this provides a maximum loan facility.

Silverstone Enterprise Zone

- 4.25 In Autumn 2017 Council agreed to provide Capital funding for enabling works for the Silverstone Enterprise Zone in the form of a of £4.9m loan to be repaid from the additional Business Rates generated on site.
- 4.26 Aylesbury Vale is the accountable body for the 3 Enterprise Zones and so borrows the sums required for infrastructure development on behalf of the constituent bodies. It also collects the Business Rates payable and offsets its borrowing costs from these receipts.
- 4.27 There is no net cost to the Council of this decision, but the borrowing decision needs to be reflected to the Council's approved programme.

Commercial Property Investment Strategy

- 4.28 Council met on 13th September 2017 to consider the adoption of an investment strategy to generate new streams of income to help offset the significant cuts in Government funding and to ensure sufficient finance is available to support the continued delivery of and investment in services to the local community.
- 4.29 Council approved the proposed Commercial Property Strategy described in the report, including a capital fund of £100m to be met from borrowing from the Public Works Loans Board, and a revenue budget of £100k from the New Homes Bonus (NHB) Fund, both to be reimbursed in line with the approach set out in that report. Work is on going to timetable how these investments may be made and as such is summarised in the programme but is subject to

change with market conditions and as opportunities arise. As yet no draw down has taken place, and is unlikely until 2018/19.

- 4.30 The Government is currently consulting on changes to council borrowing powers which may restrict the ability to deliver acquisitions against this scheme. The development of these Government proposals are being watched closely and an update will be provided when clarity exists.

Housing Schemes

- 4.31 The main element of funding within this category relates to the Council's housing enabling function.
- 4.32 The Council has been successful in its delivery of affordable housing projects over the past few years, partly as a factor of the high levels of growth in this area.
- 4.33 The Council's capital commitment to affordable provision was tied in to the VAHT stock transfer agreement. This created a commitment on the Council to allocate a minimum budgetary provision for investment in affordable housing in each of the 10 years following stock transfer. Through a combination of preserved Right To Buy and a VAT shelter, this agreement also provided the resources to enable the Council to deliver against this.
- 4.34 The ending of the VAT shelter after 10 years means the Council's resources from stock transfer diminish and therefore its ability to continue to invest in new affordable provision. Beyond residual Right To Buy capital receipts and the nominal sums from New Homes Bonus for affordable housing, the Council has no means to fund new schemes other than through borrowing.
- 4.35 As borrowing for this purpose provides no return by which to cover the borrowing costs, funding an affordable borrowing programme through this mechanism is not sustainable.
- 4.36 Currently housing associations have had to review their business plans in light of a change in the level of rents that they can charge, so demand for potential new schemes have been delayed for now. However, with the Government's renewed focus on affordable housing this position is unlikely to remain for much longer.
- 4.37 The Government has made it clear that house building and the provision of new affordable housing are priorities for it. The November 2017 budget made a number of commitments to provide funding, but the details surrounding how this will be applied are unavailable at the time of writing this report.
- 4.38 Housing will continue to work with the housing associations to deliver as many houses as possible within their resources but a more fundamental review of the funding for affordable housing is now looking necessary.
- 4.39 Whilst this review is undertaken, the programme presented here proposes that all receipts from RTB and the affordable housing element of New Homes Bonus are ring-fenced for the purpose of affordable housing investment.

Other Projects

- 4.41 With one exception, provision for these schemes remains unchanged, other than carrying forward unspent sums on schemes, which have been delayed for reasons outside of the Council's control.

- 4.42 The exception is a provision for the transfer of deferred developer sums to Coldharbour Farm Parish Council for the maintenance of the riverine corridor which runs through Fairford Leys. This sum was provided by the developer for the maintenance obligations as part of the original land transaction.
- 4.43 Transfer of this sum to the Parish Council has been previously agreed, but long delayed whilst the legal ownership is resolved. A sum has therefore been included in the Capital Programme to represent a transfer of capital resources.
- 4.44 Notable other projects in this section of the Capital Programme includes the £3.6m purchase of a new Refuse and Recycling fleet all of which will be in place before the new financial year. These are all the latest and most efficient vehicles and enable us to address the effects of increasing demands from growth in the district for at least the next 3 years.
- 4.45 Some much less significant sums are likely to be spent on Community Centre renewal funded by the receipts from the sale of Elmhurst Community Centre some years ago, and also some play area renewal work. In these cases the prioritisation of Section 106 funds (of which £10m are held for open spaces and leisure purposes) will be made before any capital expenditure.

5 Options considered

- 5.1 The proposed capital programme represents the allocation of anticipated resources in accordance with corporate priorities and agreed decisions since the last updated programme.

6 Reasons for Recommendation

- 6.1 The Council is required to set a capital budget for the coming financial year and proper financial management incorporates a longer term view of capital activity. Regular review and updating of resource availability and capital investment plans is essential, especially when a number of major schemes are running in parallel.

7 Resource implications

- 7.1 Each of the additions of the Capital Programme made since the last formal reviews were accompanied by a detailed Business Case. These reviews included the detail revenue implications, both of the detailed proposal and any financing costs assumptions within it.
- 7.2 The revenue costs are incorporated into the initial Budget Planning report included elsewhere on this agenda.

Contact Officer
Background Documents

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Capital Programme 2016/17 to 2021/21 Cabinet December 2017

Capital Programme				2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
				£'000s	£'000s	£'000s	£'000s	£'000s
				Planned	Planned	Planned	Planned	Planned
Capital Resources								
Base Available Resources				9,752	9,752			
Add Contributions from New Homes Bonus				5,000	5,000			
Add Contributions from NHB Affordable Housing				793	466	327	0	0
Add New Receipts and Contributions (Estimated)				18,350	3,410	6,210	2,910	2,910
FORECAST RESOURCE AVAILABILITY				33,895	18,628	6,537	2,910	2,910
Add Prudential Borrowing				14,398	10,885	3,513		
TOTAL FORECAST RESOURCE AVAILABILITY				48,293	29,513	10,050	2,910	2,910
Capital Spend								
Major Projects								
Major Project Expenditure Total				25,705	6,569	12,323	6,813	0
Housing								
Housing Expenditure Total				40,959	27,181	3,066	2,927	2,600
Other projects in current programme								
Other Projects Total				6,570	230	4,750	1,110	340
WHOLE PROGRAMME TOTAL SPEND				73,234	33,980	20,139	10,850	2,940
Cumulative Balance Remaining				(- = overdrawn)	9,752	9,374	8,574	8,544
Net Spend (-) / Income For the Year.					-378	-800	-30	170
Uncommitted Balance as at 31 March				(- = overdrawn)	9,374	8,574	8,544	8,714

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