



AYLESBURY VALE DISTRICT COUNCIL

Democratic Services

Please ask for: Bill Ashton; bashton@aylesburyvaledc.gov.uk;
Switchboard: 01296 585858
Text Relay Prefix your telephone number with 18001

18 January 2018

COUNCIL

A meeting of the Aylesbury Vale District Council will be held at **6.30 pm on Wednesday 31 January 2018** in **The Oculus, Aylesbury Vale District Council, The Gateway, Gatehouse Road, Aylesbury, HP19 8FF**, when your attendance is requested.

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

WEBCASTING NOTICE

Please note: This meeting may be filmed for subsequent broadcast via the Council's internet site – at the start of the meeting the Chairman will confirm if all or part of the meeting is being filmed.

You should be aware that the Council is a Data Controller under the Data Protection Act. Data collected during this webcast will be retained in accordance with the Council's published policy.

Therefore by entering the meeting room, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

If you have any queries regarding this, please contact the Monitoring Officer on 01296 585032.

AGENDA

1. APOLOGIES

2. MINUTES (Pages 3 - 10)

To approve as a correct record the Minutes of the meeting of the Council held on 6 December, 2017, copy attached as an appendix.

3. DECLARATIONS OF INTEREST

Members to declare any interests.

4. ANNOUNCEMENTS

By the Chairman of the Council.
By the Leader/Cabinet Members.

5. PETITIONS/DEPUTATIONS (IF ANY)

- 6. DRAFT BUDGET PROPOSALS FOR 2018/19 (Pages 11 - 40)**
Councillor Mordue
Cabinet Member for Resources, Governance and Compliance

To consider the attached report.

- 7. CAPITAL PROGRAMME UPDATE 2018/19 TO 2021/22 (Pages 41 - 48)**
Councillor Mordue
Cabinet Member for Resources, Governance and Compliance

To consider the attached report.

MINUTES OF THE PROCEEDINGS OF A MEETING OF THE AYLESBURY VALE DISTRICT COUNCIL

This meeting was webcast. To view the detailed discussions that took place please see the webcast which can be found at:

<http://www.aylesburyvaledc.publici.tv/core/portal/home>

6 DECEMBER 2017

PRESENT: Councillor S Renshell (Chairman); Councillors J Brandis (Vice-Chairman), B Adams, C Adams, M Bateman, J Blake, N Blake, J Bloom, A Bond, B Chapple OBE, S Chapple, J Chilver, A Christensen, A Cole, P Cooper, B Everitt, B Foster, N Glover, A Harrison, M Hawke, T Hunter-Watts, A Huxley, P Irwin, S Jarvis, S Jenkins, R Khan, S Lambert, A Macpherson, T Mills, L Monger, G Moore, H Mordue, S Morgan, R Newcombe, C Paternoster, G Powell, M Rand, B Russel, M Stamp, Sir Beville Stanier Bt, P Strachan, R Stuchbury, D Town, A Waite and J Ward.

APOLOGIES: Councillors S Bowles, C Branston, S Cole, M Collins, M Edmonds, P Fealey, K Hewson, T Hussain, R King, C Poll, E Sims, M Smith, W Whyte and M Winn.

WEBCASTING

Prior to the start of the meeting, the Chairman reminded everyone present that the meeting would be broadcast live to the internet and be capable of repeated viewing.

Members of the audience who did not wish to be on camera were invited to move to a marked area at the side of the chamber.

1. MR B STOPPS

Prior to the commencement of the formal business of the meeting all those present stood in silent tribute to Mr B Stopps, a Member of the Council for the Buckingham North Ward from 1976 to 1983, who had sadly passed away recently.

2. MINUTES

RESOLVED –

That the Minutes of the meeting of Council held on 18 October, 2017, be approved as a correct record.

3. ANNOUNCEMENTS

There were none.

4. PETITIONS/DEPUTATIONS (IF ANY)

There were none.

5. PRESENTATIONS BY THE CHIEF CONSTABLE OF THAMES VALLEY POLICE AND THE THAMES VALLEY POLICE AND CRIME COMMISSIONER

Members welcomed Francis Habgood QPM, Chief Constable of Thames Valley Police, who was accompanied by Tim Metcalfe, Aylesbury Vale LPA Commander. Mr Anthony

Stansfeld, Thames Valley Police and Crime Commissioner, was unable to attend and had given his apologies in advance of the meeting.

The Chief Constable introduced a short video on policing in the Thames Valley, after which he gave a presentation during which the following main points were noted:-

- The Thames Valley Police (TVP) had recently been inspected by HM Inspectorate of Constabulary and Fire & Rescue Services (HMICFRS) and been graded as outstanding in terms of its ability to make the most of its available resources.
- That the TVP's resources were continuing to be stretched, e.g. the number of terrorist attacks that were being averted was continuing to increase year-on-year, there had been 4 murders in the TV area in June, and there had been a 12% increase across the country in calls to the '999' and '101' numbers.
- TVP was committed to working together with communities and other agencies to make communities safer, and would continue to transform and innovate to meet policing needs now and in the future. The police were working with the public and communities to build resilience.
- TVP was an emergency service that kept people safe and brought offenders to justice. There had been a reduction in rural burglaries, although some of these offenders were likely to have moved and be operating in towns. One particular operation (Torby) had focussed on crime and issues occurring on the border area between the TVP and the Bedfordshire Police.
- Police were focussing on preventing crime, stopping exploitation and reducing demand. They were also developing proactive responses to identified threats.
- Information was provided on how the police were responding to "County lines" issues, which was a situation whereby gangs used children as young as 12 to traffic drugs in rural towns and cities, using dedicated mobile phones or "lines".
- The Chief Constable emphasised his commitment to neighbourhood policing, advising that each community would have a named contact for their area. In addition, the Police would work with partners in multi-agency problem solving.
- Police were working to build stronger, more resilient communities. This was being done through various multi-agency groups, Safe hubs set up in towns and the use of Special Constables as a part of rural crime teams.
- The Police would continue to use powers such as Community Protection Notices (CPN) to prevent unreasonable behaviour and Criminal Behaviour Orders (CBO) to require offenders to participate in particular specified acts, e.g. attendance at a course to reduce behaviour or to treat drug addiction, and would also continue to use Restorative Justice.
- Police would continue to invest in technology including a new website, Thames Valley Alert app, Cyber Crime Investigation and 'Protect Your World' which were simple tips for people on how to avoid being targeted by cyber crime.
- TVP had a skilled and trusted workforce and was looking to see how best use could be made of the apprenticeship levy.
- TVP would be looking to improve the response to hate crime and the targeting of vulnerable people.
- Overall, Aylesbury Vale remained a very safe place to live and work.

The Chief Constable and Aylesbury Vale LPA Commander then responded to various comments/questions from individual Members on a range of issues, including:-

- that while communities could part fund PCSOs in their area, it would not be possible to part fund a police officer dedicated to working in a particular area as the police had to be responsive to issues happening in other areas. It was explained that PCSOs were best placed to engage with communities and could ask for additional support, if this was required.

- that enforcement action was rarely the best response to homelessness issues. Neighbourhood Policing teams worked with partners to alleviate homelessness issues and treated all people with fairness and respect, regardless of their circumstances.
- that people could report issues to the police by phone or by signing up to the TV alerts. While the TVP would receive more money through the precept as housing numbers and the population increased, this would also place additional strains on the TVP's limited resources.
- that it would be for the Police and Crime Commissioner to deal with issues such as lobbying the Home Office regarding resources for Neighbourhood Policing, while the Chief Constable was responsible for operational policing.
- that the police would look at how they could make better use of social media such as Facebook to assist with local policing.
- that a new operating model had been introduced in Aylesbury Town Centre, particularly of an evening and at weekends, to assist in responding to issues such as ASB and other matters. An operation had run proactively in the Town Centre and 4 arrests had been made in the last 2 nights.

Members commented that where orders were in place, i.e. PSPOs, it was important that they were properly enforced.

- that the TVP was fully committed to working to preventing abuse and had recently run a 'Hidden Harm' campaign to raise awareness of abuse across the Thames Valley. This covered a wide range of issues including modern slavery, child abuse, honour based abuse, forced marriage, female genital mutilation, domestic abuse and hate crime. It would also be helpful for local authorities to train their staff to recognise the signs of abuse, particularly given their work within communities.
- that the police would look to include information on County "lines" and preventing abuse in the briefings given to Local Area Forums.
- information was provided on some of the work that was being done to combat cyber crime, including where this was targeting vulnerable people.
- that additional staff members had been recruited to assist with CCTV monitoring, including of the Aylesbury Town Centre. Work was also progressing on consolidating all CCTV monitoring for Bucks and MK into a single facility.

In conclusion, the Chairman and Members expressed their sincere thanks to the Chief Constable and the Aylesbury Vale LPA Commander for the opportunity to engage in a frank and informative exchange of views.

6. WRITTEN QUESTIONS

One written question had been submitted by Members during October-November 2017. Written questions and the answers could be accessed at <http://democracy.aylesburyvaledc.gov.uk/ieListMeetings.aspx?Committeeld=441>.

7. NEW NOTICE OF MOTION: COMMERCIAL ACTIVITIES

The following had been submitted by Councillor Christensen and seconded by Councillor Mrs Harrison. (This was proposed amended slightly from that circulated with the Council Agenda and the changes are shown in emboldened type):-

“This Council recognises that with the withdrawal of Government grant we need to explore commercial opportunities which could offer revenue streams and create a sustainable financial future.

This Council notes that it has entered into the commercial environment with Aylesbury Vale Broadband, IncGen, Vale Commerce and LimeCart to date, with varying degrees of success.

However in each of these cases, corporate oversight and scrutiny of these ventures has been limited which many Members are deeply concerned about. In addition there have been conflicts of interest for Directors/ Cabinet Members and their places on the boards. They have had to meet their Directorship responsibility to the commercial venture and that of the Council. Similarly the Cabinet Members have been unable to answer questions to Members of this Council, citing commercial sensitivities.

Therefore this Council resolves to address the growing gap in executive oversight and scrutiny with open and transparent use of taxpayer’s money by;

1. **Recognising the inherent conflict of interests that exist when establishing companies with Council money and commits itself to full disclosure of all commercial matters to Members.**
2. Undertaking a detailed external audit of Aylesbury Vale Broadband Limited. The audit shall;
 - a. Commence no later than 1 Calendar month from the sale of AVB or by the 31st of January 2018 whichever is the sooner.
 - b. The Audit should report no more than 3 months after commencement
 - c. The report will be published in full and in public.
 - d. Be conducted by a qualified individual appointed by the Chief Executive but with the express agreement of all Group Leaders.
 - e. Include, but not be limited to, a review of the management of the business including the performance of the management team, delivery of services to target villages, performance against business plans, and the use of capital.
 - f. **The Audit Committee should make recommendations to Council in relation to the effectiveness of the scrutiny process taking account of the lessons learnt from the AVB inquiry.**
 - g. **Review the oversight provided by Cabinet Members and officers while acting as Board Members of Aylesbury Vale Broadband Ltd.**

In accordance with Council Procedure rules, the Chairman had agreed that the Motion should be dealt with at this meeting. Councillor Christensen explained briefly the rationale behind the Motion after which it was opened up to debate.

It was thereupon proposed by the Leader of the Council (Councillor N Blake) and seconded by Councillor Irwin:-

“That the Motion be amended as follows:-

- “(1) That this Council will honour the commitment given by the Leader of the Council at the General Purposes Committee to review the position culminating in the decision to sell AVB and introduce a suitable mechanism for keeping all Members of the Council informed of the Council’s commercial activities.
- (2) That the Audit Committee be tasked with a detailed audit of the operation of AVB, as far as practicable within the timescales set out within the original Motion and to keep as much information as is possible in the public domain.
- (3) That the audit of AVB be undertaken by the Council’s externalised internal audit team (BDO) as they have experience of the governance of company structures.
- (4) That a brief for carrying out the review of AVB be agreed by Group Leaders, the Council’s Head of Internal Audit, a representative from BDO and the Chairman of the Audit Committee, with Group Leaders receiving a draft of the report prior to its submission to the Audit Committee, any such meetings involving Group Leaders to be chaired by the Deputy Leader of the Council.
- (5) That any meeting of the Audit Committee convened to consider the report findings be open to all members of the Council to attend and at the discretion of the Audit Committee Chairman, to participate in the discussions (although they would not be able to vote).
- (6) That insofar as the other commercial undertakings of the Council are concerned, reports on their activities be brought forward at regular intervals to the relevant Scrutiny Committee.

Upon being put to the vote the amendment was declared to be CARRIED, and became the substantive Motion.

It was thereupon proposed by Councillor Lambert and seconded by Councillor Stuchbury:-

“That the substantive Motion be amended by the insertion as appropriate, of paragraphs (a), (b) and (g) of the original Motion.”

Upon being put to the meeting, the above amendment was declared to be LOST.

It was therefore

RESOLVED -

That the (substantive) Motion proposed by Councillor N Blake, as set out in (1) to (6) above, be approved and adopted.

NOTE: Councillor Mrs J Blake declared a personal interest in the above item as a Director of AVB.

8. NEW NOTICE OF MOTION: SUPPORTING WOMEN COUNCILLORS

The following had been submitted by Councillor Lambert and seconded by Councillor Christensen:-

“This Council recognises the important work undertaken by The Fawcett Society in preparing the report ‘Does Local Government work for women?’, published in July 2017, as part of the Women in Local Government Commission, and acknowledges its findings over the barriers still faced by women in Local Government.

<https://www.fawcettsociety.org.uk/does-local-government-work-for-women-final-report-of-the-local-government-commission>

This Council acknowledges that research from across the private sector routinely demonstrates that more diverse teams, including teams with a more even share of women perform more effectively than teams which are homogenous; and that more inclusive Councils containing a more representative set of voices are better equipped to represent the population as a whole.

This Council is supportive of the report’s recommendations that local authorities should seek to:

- support parent and carers in councils by introducing a formal maternity, paternity and adoption policy for councillors, and ensuring care costs are covered;
- tackle sexism by setting out acceptable behaviour standards for councillors and driving cultural change;
- make our Council more diverse by breaking down barriers faced by under-represented groups;
- Support women’s progression within the Council by proactively seeking out women councillors for leadership roles.

This Council therefore resolves to:

- Ask officers to prepare a report for the relevant Cabinet Member on the adequacy of support available to Women Members when affected by barriers outlined in the Fawcett Society report.
- Ask the Monitoring Officer to review the current code of conduct to ensure incidences of harassment and discrimination are dealt with, with appropriate force, and for a report to be provided to the General Purposes Committee on any proposed changes to the Council’s Constitution to put forward to full Council.
- Ask the officers to draft a proposed policy on a formal maternity, paternity and adoption policy for Councillors for consideration by the General Purposes Committee, as well as for consideration by the Independent Remuneration Panel in regard to changes to any possible change in allowances.
- Ask the Returning Officer to consider what actions can be taken to encourage women to stand for election, and to report back to Full Council.”

In accordance with Council Procedure rules, the Chairman had agreed that the Motion should be dealt with at this meeting. Councillor Lambert explained briefly the rationale behind the Motion after which it was opened up to debate.

After having confirmed that she was in agreement of the general principles behind the Motion, it was thereupon proposed by the Deputy Leader of the Council (Councillor Mrs Macpherson) and seconded by Councillor Mrs Glover, that the Motion be amended as follows:-

“That this Council:-

- (1) Confirms its commitment to encouraging candidates for Council office from all sections of the community, including the protected characteristics specified in the Equality Act, 2010.
- (2) Asks the Returning Officer to continue to work towards the promotion of candidacy at elections having regard to best practice and advice from the Electoral Commission.
- (3) Confirms that any incident of inappropriate sexual behaviour is not acceptable and that any such occurrence will be treated seriously, with appropriate sanctions being applied in accordance with the Council’s Code of Conduct.
- (4) Asks all existing Councillors affiliated to a political party to stress to those parties the importance of actively promoting candidacy from individuals from all backgrounds.
- (5) Asks officers to continue to consider and implement processes and policies designed to assist Members in the performance of their duties across the political spectrum of the Council, having regard to the specific needs of all Councillors.
- (6) Asks officers to continue to explore the establishment of an Equalities Support Group comprising Councillors and employees in order to raise the profile of equality within Aylesbury Vale.

Upon being put to the vote the amendment was declared to be CARRIED. It was then put to the meeting as the substantive Motion and CARRIED.

9. QUESTION TIME

Members had the opportunity to ask questions of individual Cabinet Members and Committee Chairmen about issues affecting their portfolios/Committee activities:-

- (a) **Section 106 Agreements** (Councillor Stuchbury) – the Cabinet Member for Growth Strategy informed Members that if any Parish/Town Councils had comments that they wished AVDC to take into account in deciding planning applications that it was important that these views were submitted during the public consultation period.
- (b) **Adoption of Roads / new Open Space** (Councillor Stuchbury) – the Cabinet Member for Growth Strategy informed Members that the County Council would not adopt new roads until they were fit for purpose. The District Council was not able to take on the maintenance of all open spaces and would be responsive to Town / Parish Councils who might wish to take on these responsibilities.
- (c) **Aqua Vale** (Councillor Christensen) – in response to a question regarding cleanliness and maintenance issues, the Cabinet Member for Civic Amenities informed Members that she had visited Aqua Vale on 3 occasions recently and found that significant improvements had been made over the last 12 months to service areas including cleaning, maintenance and staffing levels.

Representatives from Everyone Active, who managed the Council’s leisure centres, had attended and had positive discussions with the Finance and Services Scrutiny Committee on 28 November 2017

- (d) **Modernising Local Government in Buckinghamshire** (Councillor Lambert) – the Leader of the Council informed Members that Councils were still waiting for the Secretary of State for Communities and Local Government’s decision regarding the two unitary proposals for Buckinghamshire.
- (e) **Lifts at Waitrose car park, Exchange Street** (Councillor Lambert) – the Cabinet Member for Civic Amenities gave an undertaking to visit the lifts with the Member, regarding concerns on the lifts’ cleanliness.
- (f) **Business Rates Retention** (Councillor Lambert) – the Leader of the Council gave an undertaking to provide Members with information on the circumstances that had led to Buckinghamshire not submitting a proposal to be a pilot area for 2018/19 for the business rates retention trial.
- (g) **Recruitment** (Councillor Harrison) – the Cabinet Member for Growth Strategy informed Members that in line with the Council’s vision to be more commercially focussed, the recruitment of staff placed a greater emphasis on behaviours than on skills.
- (h) **Parish Liaison Officers** (Councillor Newcombe) – the Cabinet Member for Growth Strategy gave an undertaking to provide Members with information on the role and job descriptions for PLOs, to assist Councillors in disseminating this information wider in local communities.
- (i) **Aylesbury Garden Town Board** (Councillor Monger) – the Leader of the Council gave an undertaking to provide all Members with information on the makeup of the Aylesbury Garden Town Board.

Council
31 January 2018

BUDGET 2018/19 AND THE MEDIUM TERM FINANCIAL PLAN

Councillor Mordue

Cabinet Member for Resources, Governance and Compliance

1 Purpose

This report covers two areas of budget determination for 2018-19. It presents the proposals for the budget, as recommended by Cabinet on 9 January 2018. It also contains the Chief Financial Officer's report on the robustness of the budget proposals and the adequacy of reserves.

2 Recommendations/for decision

Council is recommended to:

- 2.1 Note the contents of the statement of the Chief Financial Officer in Appendix A.
- 2.2 Agree a budget package which;
 - a. Increases the annual Council Tax by the maximum permissible, £5.00 (3.48%) at Band D for district councils
 - b. Includes a General Fund budget that results in net expenditure of £14,695,000 and a District precept of £10,807,500.
 - c. In arriving at that figure, contribute £240,000 to working balances in 2018-19, representing savings realised in advance of need, which will then be used in 2019-20 to balance the budget for that year.
 - d. Approves a 2% pay award for staff for 2018/19 being payable across all grades (the second year of the two year agreement), for which provision has been made in the draft budget proposals.
 - e. Includes the use of £1.53m of New Homes Bonus to meet the costs of the Connected Knowledge Programme in 2018-19
 - f. Has an expenditure total of £864,700 and a precept of £839,400 in respect of Aylesbury Special Expenses giving an unchanged band D Special Expense Council Tax of £45.00 for 2018-19.
 - g. Sets a proposed General Fund net expenditure for each of the following years as the basis of future budget planning is as follows:
2019-20:£14.63m 2020-21:£14.57m 2021-22: £14.53m 2022-23: £14.49m

3 Background

- 3.1 The report to Cabinet on 20 December 2017 presented a set of initial budget proposals for Cabinet's consideration.
- 3.2 On 9 January 2018, Cabinet reconsidered its initial budget proposals in light of the provisional Government Grant Settlement and the comments made by the Finance and Services Scrutiny Committee. Based upon this additional information it made minor amendments consistent with the approach proposed in its initial report.

4 The Cabinet's Budget Recommendation

- 4.1 Cabinet considered the development of the budget at 3 separate meetings in November, December and January. The latter meeting being informed by the views of Finance and Service Scrutiny Committee.
- 4.2 The budget process was similar to that adopted in the previous two years. This was necessary in order to adapt to the uncertainty resulting from the Government's late announcement of grant allocations.
- 4.3 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 and transformation agenda avoids the need to take lists of potential service reductions through scrutiny committees.
- 4.4 The report to Cabinet on 8 November 2017 set out the context for 2018/19 budget planning and outlined a series of issues facing the Council when developing budget proposals and updating the financial plans.
- 4.5 In setting a medium term financial plan and developing budget proposals for the future there will be uncertainties particularly in relation to levels of Government Grant, the financial impact from retained business rates, the levels of New Home Bonus, Brexit and general economic conditions.
- 4.6 The Budget proposal and Medium Term Financial Plan is attached as Appendix B1. An analysis of changes from the 2017-18 budget is provided in Appendix B2. Further detail on the plan is provided within the report.
- 4.7 The MTFP sets out both the service based operational income and expenditure expectations and the proposed financing arrangements. The position presented represents a best view of the known financial landscape now and for future years.
- 4.8 The main issue faced during budget development was the ongoing uncertainty surrounding the Government's proposed reforms to the local government finance system and the implications for the Council arising from them.
- 4.9 Despite the Government announcing a 4-year settlement, ongoing proposed changes, such as those to Business Rates and New Homes Bonus, reduce the Council's ability to plan with certainty in these areas.
- 4.10 The budget development process recognised the uncertainties and provisions are made, as appropriate, in the proposals for those factors that can be predicted with some certainty and proposes a strategy for dealing with those factors which reasonably cannot.

5 Government Grant

- 5.1 The Government announced the draft Grant settlement for councils in the Finance Settlement on 19 December 2017.

- 5.2 Despite some indications that there might be significant changes, to reflect ongoing pressures on the wider local government sector, the Government largely honoured its commitments contained within the 4-year settlement and left the pre-announced Grant numbers mostly unchanged.
- 5.3 The Government did however provide a 1% increase in the Council Tax referendum thresholds across all councils.
- 5.4 The important numbers of Revenue Support Grant and Baseline Business Rates were virtually the same as those announced for 2018/19 within the 4-year settlement. In the Settlement, 2018/19 represents year 3 of the 4-year settlement.
- 5.5 In his statement on funding for local authorities the Secretary of State for Communities and Local Government announced a formal consultation on a review of relative needs and resources (A Fair Funding Review). The current formula of budget allocations has been in place for a number of years, but the Government believes a revised distribution methodology is required to allow authorities to meet the challenges of the future.
- 5.6 A new system, based on its findings, will be introduced in 2020/21.
- 5.7 Alongside the new methodology, in 2020/21, a new phase the for business rates retention programme will also be introduced. The aim is for local authorities to retain 75% of business rates growth from 2020/21, and this is intended to be a lever and incentive for local authorities to grow their local economies.
- 5.8 From 2020-21 the business rates baseline will be redistributed according to the outcome of the new needs assessment, subject to suitable transitional measures.
- 5.9 In 2016/17, the Government introduced the concept of Negative Revenue Support Grant and this remains an issue for some Councils. As more councils are impacted by this change the Government has come under pressure to review this aspect of the Grant system. The Secretary of State announced that he will ask his team to relook at this element during the forthcoming year, but warned that any solution will need to be found from within the existing Local Government funding system.
- 5.10 Despite the proposed shake up of the Local Government Finance system, with no more funding in the system it seems likely that the historic downwards trend will continue.
- 5.11 For AVDC, reductions to grant funding have been the most significant factor underlying historic planning assumptions and the Council's strategy for balancing its budget was predicated on this continuing. In this respect, the Strategy around commercialism and efficiency is considered to remain the right strategy to deal with the financial challenges facing the Council.
- 5.12 The additional freedom around Council Tax increases will help to soften the challenges marginally, although emerging pressures, such as those associated with inflation, are likely to absorb any respite offered by it.

- 5.13 The final funding allocation for 2018-19 settlement will be laid before the House of Commons in February 2018.

6 New Homes Bonus

- 6.1 The major concern, in terms of potential changes to the 4-year settlement, was associated with New Homes Bonus (NHB).
- 6.2 In the draft budget settlement, it has been confirmed that there will be no new changes to the way New Homes Bonus operates. The Government said it has listened to the comments received and decided, for the sake of continuity, not to make any of the proposed changes.
- 6.3 The New Homes Bonus baseline growth requirement will remain fixed at 0.4%, with NHB only paid on growth above this.
- 6.4 The draft budget settlement also confirmed that local authorities will be able to increase planning fees by 20% where they commit to investing the additional income in planning services. This is as outlined in the housing White Paper.
- 6.5 Ultimately, the Finance Settlement announced that the Government would make NHB bonus payments nationally of £946m in 2018-19. Of this AVDC will receive £6.3m in 2018/19, which includes previous year's delivery.
- 6.6 Actual numbers for future years will still depend upon actual housing growth in those years. However, the decision not to make changes does provide sufficient certainty to validate the revenue contribution assumption included within the Medium Term Financial Plan.

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 The Business Rates Revaluation clouded 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 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 from this pooling arrangement. 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.

9 Pressures

- 9.1 A list of the significant budgetary pressures included in the financial plan for 2018-19 are set out within Appendix C to this report.
- 9.2 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 inflation of £0.68m
 - Revenue consequences of capital decisions made of £0.27m
- 9.3 A number of new spending pressures have materialised in discussions with budget managers as part of the budget setting process. The Council, will note, in particular, the pressures in relation to the following areas:
- 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 implementing the Connected Knowledge programme. Specifically, the additional cost is mainly associated with the new data handling requirements of GDPR legislation.
 - The impact of the Homelessness Reduction Act will have a cost to all local authorities, however the Council has been awarded New Burdens Funding by the Government and this will provide funding through 2018/19. Beyond this, once the impacts are better understood, an additional budgetary provision may need to be made.
- 9.4 The cost pressures include a general provision for inflation and pay related costs of £0.68m.
- 9.5 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.
- 9.6 A more general inflationary increase of 2% for non-pay related expenditure and 2.5% in relation to spend on contracts has been included in the budgets for 2018/19.
- 9.7 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 B2 under the title of Major Projects and include the costs 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.
- 9.8 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.
- 9.9 The pressures represented in the budget reflect the outcomes of discussions with budget managers across the Organisation.

10 Savings and Income Identification Options

- 10.1 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.
- 10.2 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.
- 10.3 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.
- 10.4 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.
- 10.5 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.
- 10.6 A list of the significant savings to be incorporated into budget planning is set out in Appendix D to this report.
- 10.7 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
- 10.8 The Council, 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.
- 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 £55,000.
- 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.

11 Fees and Charges

- 11.1 Fees and charges are reviewed as part of the annual budget setting review process and these were agreed by Cabinet at its meeting on 9th January 2018.
- 11.2 A significant review is planned during the forthcoming financial year of the car parking charges and 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.
- 11.3 The fees and charges in relation to Taxi Licensing are subject to the review of the Licensing Committee.

12 Reserves and Balances

- 12.1 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.
- 12.2 The reserves are held for legitimate reasons and the balances are reasonable given a fair assessment of the budgetary pressures that they are held against.
- 12.3 It is expected that the total balance held in reserves will 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.
- 12.4 The Council also 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.

- 12.5 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 during 2018/19.
- 12.6 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.
- 12.7 The contribution to General balances included in the budget proposals for 2018-19 is £240,000 and this will bring Working balances back above their minimum assessed level for 2019/20.
- 12.8 Appendix E provides detail on forecast General Reserve balances.

13 Capital Planning and the Impact of Spending Decisions

- 13.1 The Capital Programme for 2018/19 onwards is also being presented to Council for consideration and approval.
- 13.2 The revenue financing implications arising from the Capital programme have been factored into the budget for 2018/19 and beyond.

14 Investments / Net Borrowing

- 14.1 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.
- 14.2 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 derived from short-term money market lending.
- 14.3 Decisions to borrow against agreed business cases are made on a case by case risk assessed 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 2018/19 are a direct result of decisions to borrow less against agreed plans.
- 14.4 In previous years, shortfalls in 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. There is no planned usage of the

Reserve in 2018/19 and any variation in year will continue to be treated in the same manner.

- 14.5 The plan reflects reduces income from AVE interest payments (reduction of £82,000) due to their ongoing repayment of debt and no change to Dividends payable. The plan has been adjusted to reflect actual and known interest repayments from AVE.

15 Aylesbury Vale Estates

- 15.1 An AVE Business Plan for 2018/19 has been developed and was presented to both Economy Scrutiny and Cabinet in November 2017 and January 2018 respectively.
- 15.2 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 be reflected in the accounts for 2018/19.
- 15.3 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.

16 Connected Knowledge

- 16.1 The Organisation continues to progress its digital agenda, promoting innovation in the way services and IT solutions are delivered for Customers and staff.
- 16.2 The connected knowledge programme will underpin many of the components of future service delivery set out within Commercial AVDC strategy and is therefore crucial to the Council in meeting the financial agenda over the coming years.
- 16.3 A detailed update on the programme was provided to the Cabinet at its meeting on 9th January 2018. Funding of £1.53m is being requested for the 2nd tranche of works in 2018/19. This is in line with funding made available in 2017/18.
- 16.4 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.
- 16.5 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.
- 16.6 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.

17 Commercial AVDC

- 17.1 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 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 many-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.
- 17.2 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.
- 17.3 While activities are underway to continue to explore and develop our commercial service offerings, this is recognised as a long term undertaking. So, in parallel, the Council has also focused on major internal change programmes to deliver the savings which will ensure it can deliver a balanced MTFP. Ultimately, however, the Council will need new forms of external income to balance its budgets and to protect and enhance core services and so will need to maintain its focus on developing commercial income streams.
- 17.4 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.
- 17.5 It is anticipated that the pay-back of costs of the restructuring will be circa 1.5 years from realised savings.
- 17.6 The fundamental restructure of the Council has delivered many of these savings well ahead of when they are 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.
- 17.7 In the last year the Council has significantly grown its council to council sales, through activity such as implementing the Vale Lottery concept, behavioural assessments/culture change and digital work.
- 17.8 Aylesbury Vale Commerce was a company 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.

- 17.9 During 2016 and 2017 the business developed products and services that were taken to market and refined accordingly with customer feedback. Unfortunately, it has been unable to date to scale the activity in accordance with initial targets.
- 17.10 At the Cabinet meeting on 9th January 2018, it was recommended that the company be moved into a state of dormancy and transfer assets and appropriate Intellectual Property such as brands, website etc back to AVDC as the Shareholder.
- 17.11. The Council will continue to develop its commercial endeavours to address budget pressures over coming years but should recognise that not every venture is guaranteed to succeed and so varying degrees of success and failure should be expected and risk managed accordingly.
- 17.12 The draft budget proposals indicated that £50,000 would be made available from reserves in 2018/19. The final budget proposals indicate that this potential funding will be earmarked for ideas generation and development of future commercial activities for the Council.
- 17.13 Members will be aware of the sale of AVB. The sale receipt, net of residual costs, will be returned to the NHB pot ring-fenced for the delivery of high speed broadband and then can potentially be reused for further Broadband schemes within the Vale. As such, its sale will have no direct impact on the revenue budget.
- 17.14 At this stage of the MTFP, contributions from new operations in later years are still incremental and not considered sufficiently certain to build into future year's planning.

18 Implications for Council Tax Strategy

- 18.1 The Budget Proposals proposed by Cabinet recommended increasing Council Tax by the assumed maximum expected amount of £5.00 (3.48%).
- 18.2 The finance settlement gives councils the ability to increase their Core Council Tax requirement by an additional 1% without the need for a local referendum.
- 18.3 Therefore, for District councils, the maximum increase is now changed to 2.99% or £5, whichever is the greatest.
- 18.4 The Finance Settlement confirmed the Council's ability to increase its Tax by this amount and so, for the reasons justified by Cabinet in December (i.e. as a means of partially mitigating the reductions in Government Grant and thereby protecting services valued by residents and businesses in the Vale), it is proposed that this maximum increase be implemented from 1 April 2018.
- 18.5 A Council Tax increase of £5.00 would generate £362,400 per annum and would represent an increase equivalent to 10 pence per week at Band D and will increase the Band D Council Tax for Aylesbury Vale District Council to £149.06.
- 18.6 In the finance settlement announcement, Government also confirmed they intend to defer the setting of referendum principles for town and parish councils for 3 years.

- 18.7 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 Government assumption that more of the burden of funding council services will be transferred to the taxpayer.
- 18.8 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.
- 18.9 Given this, the budget proposal includes the assumed maximum £5 increase in order to ensure that the Council is no worse off than the Government assumed.
- 18.10 Since the Government's austerity programme began, the reduction in Government Grant support has been equal to £114 per resident.
- 18.11 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.

19 Council Tax Collection Rates

- 19.1 The MTFP also reflects the finances arising from collection of Council Tax. For the purposes of planning, collection rates are assumed at 98.5%.
- 19.2 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.
- 19.3 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.
- 19.4 An allowance has been made in the MTFP for a reduction in the collection rates and a lower surplus as a consequence.

20 Medium Term Financial Plan (2018/19 and After)

- 20.1 Whilst some of the uncertainty surrounding the Government Settlement and the future of News Homes Bonus has now diminished following the publication of the draft Settlement in December, there are still multiple uncertainties and risk factors which will need to be managed beyond 2020.
- 20.2 The single biggest issue that is likely to remain is the ongoing and severe impact of the reductions in Government Grant and how public-sector austerity continues to impact upon local government, as a whole, and the demands of the communities it serves and the services it provides.
- 20.3 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 6 further years from now.

- 20.4 Brexit is also likely to feature as a budget planning issue within the life of this MTFP but the impacts, positive or negative, are likely to be far reaching and much harder to predict at this stage. No direct financial implications of the change have been incorporated into the current MTFP.
- 20.5 The implications for the Council will be wide ranging with likely impacts on value of the pound and spending power, possible impact on local business and business rates and impacts on the availability of workforce.
- 20.6 During the period of the MTFP, a decision on unitary may be made. The current financial modelling to 2022/23 does not include any financial provision relating to outcomes arising from any future decisions.
- 20.7 Any developments and costs relating to HS2 during the period of the MTFP are assumed to be cost neutral to the Council with all costs being reimbursed by developers.
- 20.8 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.
- 20.9 The key elements of the budget strategy are: commercially minded, financially fit, customer and innovation and commercially focused. This is consistent with the “Connected Vision” of the organisation.
- 20.10 Connected Vision aims to clarify the framework from which the Council vision can be delivered. This will ensure the Organisation is aligned in its organisational objectives as well as being clear to its customers why it is developing the way it is.

21 Special Expenses

- 21.1 Special Expenses are those services provided by the District Council which might be provided by a parish council. As such these services are charged as a special charge only to the residents who live in the area to which the services relate.
- 21.2 The budgets for Special Expenses have been reviewed as part of the normal budget development process to ensure that costs are correctly allocated.
- 21.3 Therefore, it is recommended that in 2018/19 the equivalent Band D charge is again frozen at the current level of £45.
- 21.4 The Special Expense Budget is set out within Appendix F.
- 21.5 Finance and Services Scrutiny requested that the transfer of assets held within the Special Expense again be reconsidered and Cabinet agreed at its meeting of 9 January 2018 to receive further information on the subject.

22 Budget Management

- 22.1 The MTFP and the proposed budget set the Plan against which budget monitoring will be reviewed during the financial year 2018-19.
- 22.2 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.
- 22.3 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.
- 22.4 The level of savings realised will be monitored on a regular basis and any variance to plan escalated, with alternative plans being sought if necessary.
- 22.5 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 is being targeted to reduce the risk of in-year overspends.
- 22.6 Escalation processes will be in place to monitor performance in year against the agreed plan.
- 22.7 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

23 Risk Assessment and Scrutiny on Budget Proposals

- 23.1 In accordance with good practice, the Council records and considers the significant risks it believes are facing it as an organisation which might hamper, or even prevent it, from delivering its statutory duties or core objectives.
- 23.2 These risks are captured within its Risk Register together with the actions or mitigating factors which it relies upon to reduce or minimise these risks as far as possible. Cabinet considered the Risk Register in developing these proposals.
- 23.3 Finance and Services Scrutiny Committee considered the draft Final proposals at its meeting 9th January 2018.
- 23.4 The Scrutiny made a number of comments but were broadly supportive of the proposals.
- 23.5 The Finance and Services Scrutiny meeting sought assurance on the savings being presented and the mitigating risks to delivery of services, they requested that

the potential in-year cost pressure arising from recycling be considered by the Environment Committee during the financial year and it was noted that an amendment was required to the list of fees and charges for car parking.

23.6 The Finance and Services Scrutiny Committee also recommended to Cabinet that a review of the Special Expenses administration processed be undertaken. This was subsequently accepted by Cabinet at its meeting on 9 January 2018 and plans will be made to address this in 2018/19

23.7 The comments made by Scrutiny were considered and noted by Cabinet in determining their final proposals

24 Options Considered

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

25 Reasons for Recommendations

25.1 The Council is required to set a budget in advance of each financial year as the basis for determination of Council Tax and to be used as a key element of proper financial management of the Council's affairs.

25.2 The Council's Chief Financial Officer is required to submit an advisory statement for all members to take into account when considering the budget proposals.

25.3 Proper financial management and planning should extend beyond the next financial year and agreeing draft budgets for the subsequent four years is good management.

26 Resource Implications

26.1 These are covered within the body of the report.

Contact Officer

Andrew Small. Tel: 01296 585507

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

Budget Proposals

I am satisfied that the process employed for identification, evaluation and inclusion of the items forming the budget proposal package has been properly conducted and has arrived at a set of robust estimates.

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

1. Budget Process

- a) Budget planning has been undertaken over an appropriate period of time and has allowed full understanding of the issues in an operational and financial context.
- b) Every effort has been made to include all Members in the financial planning process through the circulation of reports and associated information. Finance and Services Scrutiny has been invited to comment on initial proposals put forward for consideration by Cabinet and separately have had the opportunity to review the process for identifying savings. In addition, two Members' seminars dealing with budget planning issues were held. The views expressed during the scrutiny process have been fully considered by Cabinet.
- c) Where material changes are proposed to service delivery in 2018/19, these have been presented in separate reports, have been subjected to scrutiny, where required, and the views of those impacted by those savings proposal have been taken into account.
- d) Consideration has been given to corporate priorities, residents' views and the Council's Risk Register in formulating the budget proposals
- e) The budget formulation process at officer level has been subject to on-going review which has tested the validity of pressures and deliverability of savings options in order to ensure that Members have been made aware of all aspects and implications of actions when formulating the budget proposals.
- f) As in recent years, most savings included within the budget proposals have already been delivered as part of ongoing efficiency work and organisational reviews thereby minimising the necessity for scrutiny during the budget development process.

2. Key Assumptions

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

- a) Government Grant - In theory, with 4 year Government Grant settlements now in place, much of the assumptions and uncertainty surrounding potential future loss of Grant is removed. However, key elements of the former Grant regime remain subject to an annual consultation process and the outcomes of these could have significant impact on budget planning. The numbers used in budget planning are the indicative allocations supplied within the draft Finance Settlement published in December 2017. Beyond 2019/20 the Government needs to determine a new funding mechanism and this creates inherent uncertainty in the later years of the MTFP.
- b) Income from Business Rate Retention – The new Government Grant system introduced from the 1st April 2013 links councils' finances in part to the success of local businesses. Councils are likely to gain from a proportion of real business rate growth and lose a proportion of income associated with business rate losses. The

value derived by the Council from this system remains highly volatile and difficult to predict with any certainty as factors such as national policy changes, the revaluation of all Business Rates payable from the 1st April 2017, Business Rates Pooling, local economic performance and the ongoing issue of outstanding appeals all weigh heavily on the numbers retained. The Council has provided against large reductions in respect of these appeals and the key budgetary assumption is that the actual settlements will be within the sums provided. Appeals aside, the budget proposal takes a balanced view on the prospects for growth versus the risk of losses and assumes there is no new gain over that already built into the 2017/18 budget. To mitigate the risk of variations against the central assumption, an Equalisation Reserve has been established in order to manage the risk.

- c) Pay and Prices – the proposals include provision for inflation, this being the summary of a set of detailed individual calculations and assumptions. A figure has been built into the budget for pay, based upon the 2 year offer accepted by staff last year.
- d) The proposals reflect the best assessments of expected changes in demand caused by normal events.
- e) Fees and Charges – as part of the budget development process, Cabinet considered a consolidated list of proposed changes to the Council's fees and charges. Whilst it is intended to review all fees annually at the same time, the level of individual fees will be further reviewed should the impact of any legislative change make this necessary.
- f) Council Tax Base and Collection Rate – the assumption of growth in the tax base reflects the long term average. The collection yield for Council Tax remains unchanged at 98.5%. Collection performance has shown a gradual reduction following the introduction of Localised Council Tax Support and so continues to be closely monitored in order to assess the ongoing impact.
- g) Interest on Investments – the outlook for interest rates remains depressed. The best estimate is that they will remain low for the immediate budgetary period but now with a gradually increasing trend. An assumption of probable interest rate yields has been made on this basis. The interest equalisation account is maintained in order to stabilise the sums available to the General Fund but this has been drawn upon heavily over the past few years because of the longer than expected suppression of Base Rates. This budget places no significant reliance on Interest Equalisation and the MTFP includes an amount which is consistent with likely receipts over that timeframe. The cash flow implications of the Capital Programme have been taken into account in calculating the interest earnings available for budget planning.
- h) Contingency Budgets – the financial pressures facing the Council requires budget planning to progress on the basis of absorbing cost pressures through efficiencies and savings. A contingency provision allows for some flexibility in the timing of the delivery of these. The consolidation of contingency budget allows for sums to be released by bringing contingency provisions held within individual services into a central pot and thereby reducing the overall provision held.
- i) New Homes Bonus Scheme – the draft Finance Settlement has clarified the Government's position on New Homes Bonus. The Government appears committed to the continuation of the Bonus, but with reduced sums payable for housing growth. This represents a reduction to the sums derived from the original scheme, but indicative amounts are still greater than the reductions feared arising from the Government review. The Government has signalled that it does not intend to introduce penalties within this regime for poor Planning performance in the forthcoming year. As the budget proposals only rely on a small proportion of the Bonus payment, the introduction of any potential penalties are considered a factor but not a risk.
- j) Revenue Implications of Capital Schemes - The revenue implications of those capital investments approved by Council have been reflected in the budget based around central case assumptions.

- k) BREXIT – The budget development process acknowledged the considerable uncertainty around the impacts of leaving the EU. The conclusion was that most impacts would be indirect, for example higher prices from currency instability, workforce supply issues and the impact on Business Rates income. No specific amount has therefore been included to allow for this issue, but it has been a consideration in the calculation of individual assumptions, i.e. inflation, unallocated working balances, etc.
- l) Any decision around the future shape of local government in Buckinghamshire has been disregarded for the purposes of formulating the Medium Term Financial Plan. If a decision is made on the future of Buckinghamshire then this will necessitate a revision to all of the Council's plans and any budgetary strategy revision will be considered as part of this.

3. Monitoring

- 3.1 The performance against budget for 2017-18 has been monitored throughout the year. The latest outturn assessment (a predicted overspend of nearly £496,000 after the application of reserves), is mainly as a result of the restructuring exercise carried out in year. This has been reflected in budget planning when estimating the level of balances available for 2018-19 and subsequent years.
- 3.2 The majority of the volatility and pressure within the budgetary position has been masked by underspends resulting from the early delivery of significant budget savings for 2018/19. Efforts continue to reduce the in-year overspending, where possible, without impacting service delivery.
- 3.3 The radical restructuring was central to creating an organisation which is financially fit for the future and it was acknowledged that the full cost of the exercise could not be accurately assessed ahead of the exercise without prejudicing either its outcomes or its fairness. It was, however, anticipated that it would have a net cost to balances which would be recouped from a reduced cost base in subsequent years. The Council held higher Working Balances in anticipation of this. The delivery of a balanced budget has validated the financial objectives of this exercise.
- 3.4 The budgetary pressure facing the Council is widely understood and budget holders and managers are working hard towards delivering savings through efficiency and slimmer structures. The umbrella name for this initiative is Commercial AVDC and this is a wider, whole Authority, change programme which includes Connected Knowledge.
- 3.5 The Council undertakes regular monitoring and reports to members and officers.

4. Financial Risks in the Budget Proposals

- 4.1 The budget always contains areas of uncertainty and whilst every effort is made to understand, recognise and manage risk adequate financial provisions are held in the event they cannot be contained. This provision is in the form of Revenue Balances.
- 4.2 To understand the high level and operational risks faced by the organisation the Council maintains a Risk Register. The Risk Register is reviewed regularly by Officers, Cabinet and through presentation to Audit Committee for oversight and challenge.
- 4.3 The Council has been presented with a balanced budget proposal for 2018/19 and much of the MTFP, but despite this, the financial risks remaining are still significant.

Government Grants

- 4.4 The financial pressure created by the ongoing reductions in Grant represents the greatest and most profound financial challenge faced by the Council since its creation and how it reacts will shape the organisation, its services and the way in which it provides them for many years to come.
- 4.5 The Government had committed to reducing public sector spending beyond the end of the current spending review period ending in 2019/20. Whilst each council's funding reduction is now contained within the 4 year Government Grant settlement, the MTFP extends beyond this timeframe and so the central planning assumption is that further reductions in funding will continue at least at the same rate.
- 4.6 Beyond this, the Government is committed to a Fair Funding Review which will determine each council's relative entitlement to Grant support. It is not expected that there will be any new resources arising from this review and hard to predict where the existing, diminishing, resources will be prioritised. However, it is expected that this Council will not gain from the review and may lose further resources.
- 4.7 The risk to the budget proposal continues to be whether the Council can make the decisions necessary to balance the budget with considerably fewer resources than at present and whether it can continue to provide statutory provision to residents in the face of this reduction.
- 4.8 However, having now completed the radical organisational review of 2017 and being able to now understand the extent to which this contributes towards the MTFP challenge, it is fair to say that the Council is in a relatively good place compared to many other comparable organisations facing the same challenges.
- 4.9 The Council's strategy of planning for and delivering transformational review ahead of the expected budgetary pressures over the past 8 budget cycles has proven to be central in achieving this. Further, the ongoing programme of activities, including Connected Knowledge, provides reassurance that there is continued ambition and opportunities to achieve ongoing savings over the remainder of the MFTP and beyond.
- 4.10 It is essential to the Medium Term Financial Plan, and the Council's desire to protect those core services valued by the residents, that the Commercial AVDC approach (being the entirety of all of its transformational strands) works. To ensure this the Council has prioritised and invested in this initiative appropriately.
- 4.11 Having higher working balances at the Council's disposal provides a cushion to enable it to manage the process of reducing the size of the budget, but balances should only be used where there is sufficient confidence that the change programme will be successful.
- 4.12 The organisational changes exercise used, in part, some of the excess balances the Council was holding. However, with the exercise complete and the MTFP essentially balanced, the requirement to hold higher levels of working balances has reduced and a more appropriate lower level has been included within the budget proposals.

Business Rate Retention

- 4.13 The system of Business Rates has always proved to be an unpredictable and uncertain element of the Grant system. However, the Vale is a growing area, and so generally welcomes the opportunity to benefit from business rate growth.
- 4.14 As part of the Finance Settlement announced in December 2018, the Government has announced that it intends to extend the Growth Retention element of the Business Rates system, linked in part to the Fair Funding review discussed above. We will watch and participate in the development of these proposals accordingly. However, whilst there are undoubtedly business rate growth opportunities within the Vale, the wider national economic position and unequal weighting of appeals within the system will continue to present significant risks. Overlaying this is the potential impact on the economy of BREXIT and the unknown implications for Business Rate income.
- 4.15 The establishment of an Appeals Provision and the Business Rate Equalisation Reserve means that the Council can continue to manage its exposure to the risks inherent within this system and should provide short term financial security against them.
- 4.16 The Council's decision to participate in a Business Rate Pool increases the Council's exposure risk to business rates losses, as it now shares in the losses of the wider Pool membership. However, similarly, it benefits from upside gains. The Pool's performance is being closely monitored and the respective Chief Financial Officers are content, for now, that it is producing benefit which warrants continued membership.

New Homes Bonus

- 4.17 The Council will receive £6.3 million of New Homes Bonus in 2018/19. This again makes its award the largest for any district in England and reflects the fact that it has witnessed more housing growth than other districts over the past 4 years.
- 4.18 The Government consulted on sharpening the Bonus; partly to use it as a tool to deliver its housing growth aspirations, but mainly to redirect some of the resources towards Adult Social Care. Under sustained lobbying the Government chose not to implement the proposals for 2018/19.
- 4.19 In recognition of the belief that the New Homes Bonus's future was uncertain, the Council decided to continue with its policy where only a relatively small amount of the Bonus, judged to be equal to Grant loss associated with the introduction of NHB, was taken into its revenue budget. This reduced the Council's risk exposure significantly, should the Government decide to remove the Bonus completely.
- 4.20 There remains an ongoing risk that the Government will revisit its proposed 'sharpening' proposals and that the Bonus may be reduced further in future years or potentially completely. For this reason a higher dependency on the Bonus has not been advocated.

Interest Rate and Capital Investment Decisions

- 4.21 The Council has largely ended its recent reliance on the Interest Equalisation Reserve as part of this budget proposal. Therefore, whilst low interest rates are considered to be unfavourable for the Council, any budgetary risk associated with them has now, essentially, been removed.
- 4.22 The future direction for interest rates now seems to be a gradually increasing landscape and as a net investor this is considered beneficial. Any borrowing risks arising from interest rates increasing will be managed through the Treasury Management Strategy.
- 4.23 The Minimum Revenue provision (MRP) charge is the means by which capital expenditure which is financed by borrowing or credit arrangements is paid for by council tax payers. Local Authorities are required each year to set aside some of their revenues as provision for this debt.
- 4.24 Over the past years the regulatory and economic environment has changed significantly and led the sector to consider more innovative types of investment activity. The government has also monitored changes in the practices used for calculating Minimum Revenue Provision.
- 4.25 The Government has launched Consultation on current Minimum Revenue Guidance (MRP), suggesting four key changes to the current MRP Guidance. These are definition of Prudent Provision, Meaning of a charge to the revenue account, the impact of changing methods of calculation MRP and introduction of a maximum economic life of assets.
- 4.26 As a result the government proposes to update the guidance as part of the more general update of the statutory codes comprising the prudential framework.
- 4.27 The outcome of the Consultation will need to be modelled once known and the impact on the Council budget assessed for 2018-19 and future years.
- 4.28 It is anticipated that the revised guidance will come into force on or after 1 April 2018.

Demand Growth

- 4.29 Housing growth within the Vale is a constant pressure on finances. In practice, cost pressures do not increase uniformly. Instead, these tend to step up when certain threshold points are hit. Provision have been made in this year's budget proposal for growth in the Waste service associated with housing growth and this budget allows for the capital repayment costs associated with the depot expansion project which was also necessitated, largely, due to housing growth.

Balances

- 4.30 In formulating this budget, the recommended level of General Fund revenue balance has been reduced to £2.0 million. This level of reserve has been determined following the completion of the annual review exercise to update the budget risk register and the resolution of key risk elements identified last year.
- 4.31 Balances above this level will be useful in delivering change and it is these that continue to give the confidence to say that the budget proposal is robust.

- 4.32 The Government and the media remain focused, on what they perceive to be, the issue of councils hoarding balances. There remains a risk that the Government may try to raid what it perceives to be excess balances. However, it is considered that the Government would find it difficult to do this because of the complexity of local situations and circumstances, but it is possible that the Government may try to further influence councils to reduce balances.
- 4.33 Because of their 'one-off' nature they cannot be used as a substitute for either a savings or council tax strategy, but they are entirely appropriate for upfront and one off investment initiatives. This represents a sensible and appropriate use of excess balances.

5. Reserves and Provisions

- 5.1 The Council maintains a range of funds for specific purposes. These receive contributions from revenue and are used to defray expenditure, often on an irregular basis. This represents a prudent and essential part of financial planning and probity.
- 5.2 A review of the adequacy of reserves is carried out annually at an officer level (the results of which are reported to the Cabinet member) and bi-annually involving the Cabinet member.
- 5.3 At a headline level, Reserves are increasing and this is being blurred by the media into the Government debate on the level of balances.
- 5.4 It should be stated that the overall position is distorted through the holding of committed allocations in the New Homes Bonus and Commuted Sums reserves. If these are discounted then the overall position on the Council's reserves is either static or reducing. They are considered adequate in the majority of instances.
- 5.5 Balances are invested and provide valuable income for the benefit of taxpayers and the revenue budget via investment interest.

6. Council Tax

- 6.1 The Government is actively encouraging councils to increase Council Tax by the maximum permissible, within the limits imposed by its wider national Council Tax strategy.
- 6.2 In response to a rise in inflation the Government increased the referendum threshold to 3% or £5 (whichever is the greater). The maximum increase threshold and the benefit derived from such an increase is still considerably less than the impact created by Grant reduction and growth pressures.
- 6.3 The gap must therefore be filled by the Council through its strategic approach (Commercial AVDC) to balancing the Medium Term Financial Plan. The Council's continued provision of core statutory services is fundamentally dependent upon the success of this strategy.
- 6.4 Council Tax increases are not the solution in themselves, because they simply cannot match the scale of grant reduction, but still do have an important part to play in at least mitigating some of the impacts of inflation and Grant loss.

7. Medium Term Financial Strategy

- 7.1 Considerable effort at Member and officer level has been directed at establishing a budget framework that covers future years and that marries the need to identify efficiency savings and new income streams with corporate priorities. This work has delivered a balanced budget proposal for 2018/19 and a balanced MTFP up to 2021/22.
- 7.2 Beyond 2018/19 there is now greater certainty on the scale of the challenge and a clear strategy exists for dealing with it. However, given the debate around local government structures, the future of local government funding, BREXIT and the extent of growth within the Vale the financial future for Aylesbury Vale remains as complex as ever.
- 7.3 The one issue which is not disputed is that continued Government savings will need to be made and that local government, as a whole, will continue to bear the brunt of these.
- 7.4 Historically, in facing uncertainty, this Council has always faced up to its financial challenges and created bold and innovative solutions. These are not without risks, and the Council's risk appetite has needed to change and expand in the face of the greater challenges facing the sector. I believe against the backdrop of preserving core services this strategy is both warranted and justified, accepting that not all initiatives will succeed.
- 7.5 The Council's assumptions around negative grant have been proved true and therefore, the Council's strategy thus far has been vindicated. Having the confidence that its projections were correct, it is therefore now imperative that the Council continues to stay focused on balancing its budget, as per the financial plan, and considers the difficult decisions, or investment opportunities, that will need to be taken.
- 7.6 As highlighted within this report, this will continue to require significant business transformation and a radical rethinking about what services the Council provides and the way in which they are provided. It is evident, via the Commercial AVDC programme, that considerable importance is being attached to this at both member and senior officer level.
- 7.7 General Fund revenue reserves and balances have been determined with full consideration of the risks identified within this report. They are, therefore, deemed to represent a sufficient level of provision against the potential financial risk inherent within the Medium Term Financial Plan, provided the Council stays focused on delivering its targets.

Given the actions taken and the level of reserves and balances, I am of the opinion that the budget proposals for the General Fund have been properly prepared and are realistic in the assumptions made. The proposals have been arrived at after taking appropriate officer advice and have the ownership of the Cabinet.

Andrew Small
Director
January 2018

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

| 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 | (1,006,800) |
| Service Spend Total | 17,525,100 | 17,498,500 | 17,665,200 | 17,319,700 | 17,554,000 | 17,502,200 |
| 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 | 240,000 | 0 | 278,800 | 25,400 | 25,400 |
| 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 | 14,695,000 | 14,630,600 | 14,575,700 | 14,528,300 | 14,490,300 |
| Funded By: | | | | | | |
| Government Grant | (4,300,000) | (3,826,500) | (3,288,400) | (2,750,300) | (2,212,200) | (1,674,100) |
| 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 | | | | | | |
| (Increase)/Decrease in Investment Interest | | (165,000) | (34,100) | 0 | (40,800) | 0 |
| Decrease in Contribution From Reserves | | 0 | | | | |
| Decrease in Capital Financing | | 0 | | | | |
| Decrease in Borrowing Costs | | (208,200) | (17,500) | (8,300) | (8,700) | (8,700) |
| Decrease in AVE Interest Payment | | 82,100 | 82,100 | 42,300 | 43,900 | 45,800 |
| Increase in AVE Dividends | | 0 | 0 | 0 | 0 | 0 |
| Decrease/(Increase) in Use of Balances | | 240,000 | (240,000) | 278,800 | (253,400) | 0 |
| Decrease in Contingency Provision | | 0 | 0 | 0 | 0 | 0 |
| Decrease in Collection Fund Surplus | | 167,000 | 0 | 0 | 0 | 0 |
| Lower Government Grant - RSG | | 473,500 | 538,100 | 538,100 | 538,100 | 538,100 |
| Lower Government Grant - NNDR | | 0 | 0 | 0 | 0 | 0 |
| Tax Base Growth | | (201,800) | (108,100) | (112,800) | (117,600) | (122,600) |
| Additional Council Tax | | (362,400) | (365,600) | (370,400) | (373,100) | (377,500) |
| Decrease/(Increase) in Special Expenses | | 1,400 | (21,600) | (22,200) | (22,700) | (23,300) |
| Total Decrease/(Increase) in Resources | 0 | 26,600 | (166,700) | 345,500 | (234,300) | 51,800 |
| Savings (Required)/Achieved | 0 | 0 | 0 | 0 | 0 | (1,006,800) |
| Net Change in Resources | 0 | 0 | 0 | 0 | 0 | 0 |

| 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 | | | |

Budget Savings Identified in 2018/19 Budget Planning

APPENDIX D

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

APPENDIX E

| Classification | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|
| | £ | £ | £ | £ | £ | £ |
| Balance Brought Forward | 2,873,000 | 1,924,000 | 2,114,000 | 2,114,000 | 2,392,800 | 2,418,200 |
| 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 |
| - Commercial Activities | 0 | (50,000) | 0 | 0 | 0 | 0 |
| Restated Balance Position | 2,421,000 | 1,874,000 | 2,114,000 | 2,114,000 | 2,392,800 | 2,418,200 |
| Forecast (Overspend)/Underspend Assumption | (497,000) | 0 | 0 | 0 | 0 | 0 |
| Planned Addition to/(Use of) Balances | 0 | 240,000 | 0 | 278,800 | 25,400 | 25,400 |
| Net (Use of)/Contribution to Balances | (497,000) | 240,000 | 0 | 278,800 | 25,400 | 25,400 |
| Balance Carried Forward | 1,924,000 | 2,114,000 | 2,114,000 | 2,392,800 | 2,418,200 | 2,443,600 |

Aylesbury Town Special Expenses

APPENDIX F

| | 2016/17 Actual £ | 2017/18 Original Budget £ | 2017/18 Forecast £ | 2018/19 Estimate Budget £ |
|------------------------------|------------------------|------------------------------------|--------------------------|------------------------------------|
| Aylesbury Market | 16,814 | (1,800) | 4,200 | (400) |
| Parks and Recreation Grounds | | | | |
| Parks Administration | 162,514 | 236,800 | 265,900 | 238,100 |
| Alfred Rose Park | 34,186 | 41,500 | 41,500 | 42,400 |
| Bedgrove Park | 54,649 | 63,200 | 63,200 | 64,700 |
| Edinburgh Playing Fields | 43,855 | 50,500 | 50,500 | 51,500 |
| Meadowcroft Playing Fields | 43,153 | 65,800 | 65,800 | 67,000 |
| Vale Ground | 27,293 | 15,200 | 15,200 | 15,900 |
| Walton Court Sports Ground | 28,741 | 44,500 | 44,500 | 45,300 |
| Fairford Leys Sports Ground | 60,381 | 83,700 | 83,700 | 85,200 |
| | 454,772 | 601,200 | 630,300 | 610,100 |
| Community Centres | | | | |
| Management | 73,859 | 74,200 | 74,800 | 75,200 |
| Bedgrove | 71,407 | 54,500 | 45,800 | 55,600 |
| Southcourt | 55,940 | 46,900 | 40,300 | 48,400 |
| Alfred Rose | 52,692 | 49,400 | 49,800 | 50,400 |
| Prebendal Farm | 51,780 | 41,600 | 42,000 | 42,400 |
| Quarrendon & Meadowcroft | 76,206 | 60,000 | 60,000 | 60,200 |
| Elmhurst | 6,316 | - | - | - |
| Haydon Hill | 6,536 | 14,600 | 14,600 | 14,600 |
| | 394,735 | 341,200 | 327,300 | 346,800 |
| Asset Rental Adjustment | (96,063) | (72,300) | (72,300) | (91,800) |
| Total Net Expenditure | 770,258 | 868,300 | 889,500 | 864,700 |
| General Reserve | | | | |
| Balance Brought Forward | (504,347) | (453,801) | (552,189) | (493,389) |
| Expenditure in Year | 770,258 | 868,300 | 889,500 | 864,700 |
| Precept - Band D | (815,500) | (828,100) | (828,100) | (839,400) |
| Balance Carried Forward | (549,589) | (413,601) | (490,789) | (468,089) |
| Interest on Balances | (2,600) | (2,200) | (2,600) | (2,400) |
| Balance Carried Forward | (552,189) | (415,801) | (493,389) | (470,489) |
| Precept - Band D | £45.00 | £45.00 | £45.00 | £45.00 |
| Tax Base | 18,122.50 | 18,403.02 | 18,403.02 | 18,653.03 |

Council
31 January 2018

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

1. Purpose

- 1.1 To give Council an update on the Capital Programme for the current year and on the position going forward to 2021/22.

2. Recommendations

- | |
|---|
| 2.1 That the updated Capital Programme for 2018/19 onwards be approved. |
|---|

3. Supporting Information

- 3.1 The attached report was considered by the Finance and Services Scrutiny Committee on 8 January 2017 and by Cabinet on 9 January 2018. The report covers the position in relation to capital resources from 2018/19 to 2021/22.
- 3.2 The report explains the situation in connection with the three main elements that make up the Capital Programme, namely, major projects, housing schemes and other projects, within the context of both the national and local economic climate.
- 3.2 The Capital Programme is recommended for approval By Council.

4. Reasons for Recommendation

- 4.1 These are detailed in the attached report.

Contact Officer: Andrew Small (01296) 585507
Background Documents: None

REPORT TO FINANCE AND SERVICES SCRUTINY COMMITTEE – 8/1/2018

CAPITAL PROGRAMME UPDATE 2018/19-21/22

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.

4.40 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

Andy Barton 01296585430
Capital Programme 2016/17 to 2021/21 Cabinet November 2017

