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AYLESBURY VALE DISTRICT COUNCIL
Democratic Services

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AYLESBURY VALE DISTRICT COUNCIL

3 January 2019

FINANCE AND SERVICES SCRUTINY COMMITTEE

A meeting of the Finance and Services Scrutiny Committee will be held at **6.30 pm** on **Monday 14 January 2019** in **The Olympic Room - Aylesbury Vale District Council**, when your attendance is requested.

Membership: Councillor M Rand (Chairman); Councillors B Everitt (Vice-Chairman), J Bloom, J Chilver, S Lambert, R Newcombe, M Smith, M Stamp, R Stuchbury and A Waite

Contact Officer for meeting arrangements: Craig Saunders; csaunders@aylesburyvaledc.gov.uk;

AGENDA

1. APOLOGIES

2. TEMPORARY CHANGES TO MEMBERSHIP

Any changes will be reported at the meeting.

3. MINUTES (Pages 3 - 14)

To approve as a correct record the Minutes of the meeting held on 17 December, 2018, copy attached as an appendix.

4. DECLARATION OF INTEREST

Members to declare any interests.

5. INITIAL BUDGET PROPOSALS 2019/20 (Pages 15 - 60)

To consider the attached report.

Contact Officer: Nuala Donnelly (01296) 585164

6. CAPITAL PROGRAMME UPDATE 2019/20 TO 2022/23 (Pages 61 - 76)

To consider the attached report.

Contact Officer: Nuala Donnelly (01296) 585164

7. TREASURY MANAGEMENT STRATEGY 2019-20 (Pages 77 - 102)

To consider the attached report.

Contact Officer: Nuala Donnelly (01296) 585164

8. PUBLIC SECTOR EQUALITY DUTY (Pages 103 - 114)

To consider the attached report.

Contact Officer: Andy Barton (01296) 585430

9. FUTURE WORK PROGRAMME

To consider agenda items for future meetings. Meetings are scheduled as follows:-

- 8 April 2019 (Debt Management report, Quarterly Finance Digest Q3)
- 2 July 2019 (Leisure Centres Management Contract, Quarterly Finance Digest Q4, Treasury Management 2018-19 Year End Report)
- 9 September 2019
- 11 November 2019
- 16 December 2019 (Budget Scrutiny)

FINANCE AND SERVICES SCRUTINY COMMITTEE

17 DECEMBER 2018

PRESENT: Councillor M Rand (Chairman); Councillors B Everitt (Vice-Chairman), J Bloom, R Newcombe, G Powell (In place of J Chilver), M Smith and R Stuchbury.

APOLOGIES: Councillors S Lambert, M Stamp and A Waite

1. MINUTES

RESOLVED –

That the minutes of the meeting held on 15 October, 2018, be approved as a correct record.

2. QUARTERLY FINANCE DIGEST (SEPTEMBER 2018)

The Committee received the Quarterly Financial Digest for the period from 1 April to 30 September 2018, which represented financial information on the Council based on the actual income and expenditure for the first six months of the 2018/19 financial year.

As at the end of September 2018, an overspend against budgets was reported of £457,979, along with forecast full year overspend of £238,100, before the use of reserves, for the full year to the end of March 2019.

The Medium Term Financial Plan (MTFP) agreed by full Council in February 2018 had assumed a contribution to balances of £240,000 for 2018/19. Based on the forecast financial position, there was now an assumption that there would be no contribution to balances.

The forecast level of balances for the financial year was reported as £1.927m, marginally below the minimum assessed level of balances of £2.0m. The forecast position did not currently assume any use of reserves to support emerging overspends. Earmarked reserves were held for legitimate reasons and the balances represented a fair assessment of the budgetary pressures that they were held against. Any use of reserves was an essential part of sound financial planning. The use of reserves would be assessed in year with any use of them resulting in a reduction of the forecast overspend and lessening the call on balances.

The end of second quarter position and forecast outturn continued to highlight a number of emerging financial risks that would allow considered corrective actions to be taken. Members were given an assurance that budget holders, managers and finance business partners were working to mitigate issues and to address the year to date financial position.

The main reason for the overspend to date had been for the use of agency staff to support vacancies and some activity pressures. The use of agency staff incurred a premium and an adverse variance to agreed budgets. Members were informed that the dependency on high cost agency staff was being targeted to reduce the risk of further in–year overspends. For all of the areas identified as using agency staff, plans were being developed to address spend and mitigating actions were being taken. Some vacancies were being filled and proposals are being put forward for most effective delivery models

For the 6 months to date, agency staff had been employed in a number of key operational areas to support project work and service delivery. These included:

- People and Payroll department where agency costs had been incurred to support both vacancies and prolonged periods of sickness absences.
- The Connected Knowledge and GDPR programme: These were work programmes for which funding had been allocated.
- IT: to cover key vacant posts.
- The Depot to employ loaders and also to meet additional costs of new waste rounds. The use of agency staff in these areas had allowed for flexibility to meet staffing patterns.
- Planning Department: to cover key vacant posts and to manage workloads.

Budget managers were provided with detailed agency staffing analysis on a monthly basis to ensure they have information on costs and to facilitate decision making in terms of using agency staff. Despite these known pressures on staff costs, it had been possible to largely offset agency costs with additional efficiencies and income to reduce the risk of further in-year overspends as follows:-

- Savings against budget in relation to transitional relief for business rates.
- Increased income from commercial rents particularly at Pembroke Road, for garden waste and commercial waste services.
- Savings on forecast interest charges, due to lower than planning levels of borrowing.
- Savings on vehicle costs at the Depot due to previous capital investment.
- General efficiencies in running costs of departments including Housing Benefits court costs and savings on GDPR implementation provisions.

The Committee was informed that page 14 of the Digest contained details of the reserves and provisions held by the Council against specific risks and commitments. Cabinet had recently agreed that the equalisation funds for business rate and interest rates should be repurposed and made available to offset the transition costs associated with local government reorganisation, subject to any demands being placed upon them in 2019/20. It was uncertain whether the money from these two reserves (circa £5m) would be sufficient so the position would continue to be monitored.

As well as the costs of implementation for the new Council, the decision could also impact on the organisational ability to retain and recruit staff during the transition period. The uncertainty had the potential to lead to a further reliance on agency and temporary staffing arrangements.

The Digest also reported on the level of capital spend to 30 September 2018. Whilst the year to date spend of £4.352m represented 44% of the total anticipated spend, there was no perceived risk on the delivery of the schemes and it was anticipated that the spend would increase in line with plans over the last 6 months of the year.

No new borrowings had been taken out over the last 6 months so the current borrowings remained at £18.5m. The Council had £47.3m invested at the end of September, in a combination of banks, building societies and money market funds.

Members sought additional information and were informed:-

(i) that the Council had reserves that could be used to pay for temporary or agency staff if there were issues with staff retention and recruitment during the transition period to the new Council.

(ii) that the 5 Bucks Councils were already working across professional streams, with HR being one of the first ones, to address uncertainty concerns for the transition to the new Council. It was likely that a protocol on recruiting staff to the new organisation would be agreed in due course. It was likely that many staff could be transferred from their existing Council to the Council but some roles would also need to be externally advertised.

(iii) that the Council did consider recruiting staff on fixed term contracts, as well as using agency staff, to cover for the vacancies in a number of key operational areas such as planning, Digital (IT) Services and People and Payroll.

(iv) that there were no emerging ‘surprises’ that might impact on the budget position for 2018/19.

(v) that where Housing Benefits was overpaid, the Government asked Councils to recover the overpayments and allowed Councils to keep a percentage of it, as well as court fees. The money recovered so far this financial year had been more than anticipated.

(vi) that the current level of bad debt relating to Housing Benefits overpayments was £4m. A report on debt management would be submitted to the scrutiny committee in the New Year.

(vii) that the main reason that the Business Strategy area was over budget was due to lower than anticipated income generated during the period.

(viii) that the finance business partners met regularly with managers and budget holders to identify budget pressures and risks and how to mitigate them.

(ix) that transitioning to the new Council was likely to create greater uncertainty around forecasting and delivery against the budget for 2019/20.

(x) that information in the Financial Digest was provided at a high level against Cabinet portfolios. If Members required additional information against individual budget areas then Finance would be happy to provide it.

(xi) that there was insufficient time to consider devolving assets/services to Town and Parish Councils as a moratorium on devolving assets was likely to apply from March-April 2019. However, the County Council’s bid had been predicated on devolving assets/services to Town and Parish Councils so this matter would likely be considered by the new Buckinghamshire Council in due course.

(xii) that the overspend in the Planning Service was a combination of reduced income and additional staffing costs (use of agency staff).

(xiii) on the dependency of agency staff by the planning service meant that the service was likely running at a loss at the moment, and was a combination of reduced income and additional staffing costs.

RESOLVED –

That the contents of the Digest and the financial position for the Council for the first six months of the 2018/19 financial year be noted.

3. BUDGET PLANNING 2019-20

The Committee received a report promulgating the high level issues facing the Council in developing budget proposals for 2019/20 and in terms of updating the Medium Term Financial Plan (MTFP). The report had been submitted to Cabinet on 20 November

2018 and further details were included in the minutes of that meeting. Cabinet had approved the approach outlined in the report, as well as the MTFP, to be used for developing the budget for 2019/20. Cabinet had also approved, for the purposes of budget planning, to the repurposing of the Business Rates Equalisation Reserve and the Interest Equalisation Reserve (that would have a combined value of £5m as at the end of 2018/19), in order to provide the Council with initial financial capacity to respond to the costs of reorganisation.

The largest and most significant factor impacting on the budget setting process was the recent announcement of the Secretary of State that there should be a single unitary district council for the whole of Buckinghamshire (excluding Milton Keynes) with effect from 1 April 2020. It was however too early to determine the exact implications from a budgetary point of view, although it would be prudent to make provision for transition costs. The report also set out a timetable for agreeing the budget.

The report had been split into specific sections dealing with:-

- The background to the development of the current MTFP and the key assumptions used in its formulation. Reference was also made to the recent budget announcement of the Chancellor of the Exchequer, with particular reference to local authority spending requirements. The report covered the risks arising from Brexit, the roll out of Universal Credit and increases in the national living wage. Reference was made to the implications of changes in the application of business rates and the significant year on year reductions in Central Government Grant.

- The timetable for development of the budget. The Government had announced the provisional finance settlement on 13 December, 2018, which had been in line with the estimates used for budget planning.

- The report contained a commentary on the position around Government funding and its impact on the wider landscape. Local authority funding in England had undergone considerable upheaval in recent years. For AVDC, reductions to Grant funding had been the most significant factor underlying historic financial planning assumptions and the Council's current strategy of balancing the budget had been predicated on this continuing. In this respect, the Council's strategy around commercialism and efficiency had been proved to be correct within the context of dealing with the financial challenges being faced by the Authority. The Government had announced a consultation exercise in relation to the future funding of local government (A Fair Funding Review). This would affect how funding was allocated between local authorities from 2020 onwards. Alongside this a new phase for the business rates retention programme would be introduced. The Buckinghamshire Councils had been chosen as a pilot area for this in 2019/20 which was likely to benefit AVDC by approximately £1.6m.

- In 2016/17 the Government had introduced the concept of Negative Revenue Support Grant. This had caused concern among councils and the Secretary of State had announced that he would review this aspect of the grant system during the forthcoming financial year. However, he had warned that any solution would need to be found from within the existing local government funding system. The report contained a full explanation of Negative Revenue Support Grant and its implications for AVDC. The recent financial settlement announcement had included that AVDC would receive some additional Revenue Support Grant so that the Council was not in a negative RSG position for 2019/20.

- The report dealt with the risks and gains associated with business rates pooling. The Council had in the past benefited from such an arrangement and a view would be taken on any anticipated gain as the budget proposals were developed.

- It was likely that the planned date for the UK to leave the EU would feature as a budget planning issue moving forward. An Officer working group had been established to review the issues that might potentially be faced by the Council.

- With regard to Council tax, the Government had signalled its intention to hold the broad referendum principles of the last two years. Specifically for district councils, this meant a maximum increase of 3% or £5 whichever was the greater. AVDC had chosen to raise council tax by £5 for the current financial year. The MTFP assumed a further increase of £5, representing 3.34% for 2019/20. The assumptions around the proposed increase in council tax would be tested as part of the budget development process. The Government intended to provide an update on its proposals for council tax referendum principles, including adult social care, alongside the provisional local government finance settlement later in the year.

- The report set out briefly the background to the introduction of New Homes Bonus (NHB) and the current position. 2019/2020 represented the final year of funding agreed through the Spending review of 2015. In view of this, the Government intended to explore how to most effectively incentivise housing growth in the future. The Government intended to consult widely on any changes prior to their implementation. Cabinet had been keen to maintain, if possible, the use of a percentage of these funds for grant aiding parish projects linked to housing growth. The recent financial settlement announcement had left the NHB thresholds unchanged for 2019/20, which would mean that AVDC would receive £5.9m for the year.

- The MTFP agreed in February 2018 had made certain assumptions around pay and inflation based upon trends in the economy. In practice, the looming Brexit deadline was having unpredictable effects on the economy as markets reacted to the uncertainty. Two years ago, the Staff Side and Unions had agreed a two year deal, with 1% being payable in 2017/18 and 2% payable in 2018/19. The pay award for 2019/20 had been negotiated with the unions and Staff representatives and staff would be balloted soon in regard to this.

- Earmarked reserves represented a prudent saving of sums against future financial events, which if not prepared for, would be difficult to deal with at the point at which they occurred. The Council held reserves for a number of purposes, one of which was the smoothing out of income receipt. Two such reserves were held to manage any volatility. It had been agreed that these funds should be used to offset the transition costs of local government reorganisation. The two reserves in question were the Equalisation Reserve and the Business Rates Equalisation Reserve, with a combined value of £5m (as at the end of 2018/19). A review of reserves would take place as part of the budget setting process.

- The report anticipated an actual Council tax base increase of 1.3% in 2019/20 having regard to the level of housing growth that had taken place, compared to the figure of 1% assumed in the MTFP.

- As previously mentioned, the Secretary of State had confirmed his decision to create a single unitary district council for Buckinghamshire (excluding Milton

Keynes) which would come into existence on 1 April 2020. This clearly removed the need for medium term planning for AVDC as a single entity, but the Council was obligated to hand over its affairs to the new Council in the best possible state. Allowances had been made for the costs associated with transition. The exact financial implications could not yet be fully quantified but Members would be kept advised of developments.

- CIPFA was consulting on the proposed publication of an index of resilience of English councils. This would provide an assessment of the relative financial health of each English council. The report outlined how councils would be measured. Given the Council's single minded and strong focus on dealing with the financial issues facing local government over the last seven years, it was expected that AVDC would perform well under any measure adopted.

- Commercialism and efficiency had been at the heart of the Council's strategy for dealing with the financial challenges faced by the sector over the past few years. This had proved immensely successful. Some governance issues had been identified but the Council was using the experience to develop better risk profiles and to develop measures to improve governance. The Council's approach to balancing its budget had avoided the need for Members to have to consider arbitrary and often unpalatable cuts in its budget and hence the services provided to its residents. It was believed that AVDC's sector leading experience and the attitude, innovation and enthusiasm of staff would be invaluable to the new organisation in helping it to deliver modern, responsive services which were fit for the future.

- The report suggested, and Cabinet had accepted, that as part of the budget setting process the Council should adopt a corporate strategy for 2019/2020 that was focused on:-

  Ensuring that it was financially fit, including ensuring that the commercial approaches of the past continued and that the organisation should continue to diversify and grow its income streams.

  Leading and shaping of place, ensuring the adoption of VALP, and continuing to cherish the towns and villages whilst managing growth and ensuring sustainable regeneration.

  Focusing on customers and innovation in customer service delivery and digitisation.

  Ensuring the Council's partners and communities assisted with the delivery of the Council's goals and including them in the decision making processes.

  A Statement of Corporate Priorities had been developed and would be used to inform the budget setting process.

- AVDC would continue to progress its digital agenda, promoting innovation in the way services and IT solutions were delivered to customers. Connected Knowledge was designed specifically to be the catalyst for technological innovation and change, thereby propelling the organisation into the future. A separate agenda item at the meeting would consider the achievements of Connected Knowledge over the previous phases 1 and 2 and funding for the next phase of Connected Knowledge.

- The report outlined the manner in which it was proposed to deal with Capital planning which would be a parallel process to that of revenue planning. The review of capital schemes would need to consider the implications of reorganisation and those with a timeframe extending beyond one year would need to be reconsidered within the context of the priorities identified by the new organisation. The requirements of the CIPFA Prudential Code for Capital Finance in Local Authorities would be reflected in budget setting for capital in 2019/2020.

- The Council's strategy for balancing the budget was an on-going process and not merely an annual exercise purely undertaken at this time of the year. This was driven by a desire to balance the budget through internal reorganisation, efficiency and income generating strategies already set in motion and without the need for a crude or simplistic cuts exercise. Work would continue on refining the budget, making assumptions about a range of outcomes. The focus would now be primarily on 2019/2020, but consideration would still be given to 2020 and beyond because of the obligation to hand over AVDC's affairs to its successor in a fit state. The Council had working balances broadly in line with its stated minimum. These allowed the Council to push forward and invest in new savings initiatives with the confidence of a cushion behind it. Balances (either adding to or use of) were therefore likely to form part of the strategy for concluding the balancing of the budget for 2019/2020.

The Committee sought further information and were informed:-

(i) with an explanation on why the costs of providing services to additional residents (housing growth) was less than the money received by way of Council tax income from the additional residents.

(ii) that the other District Councils were currently combining for an OJEU notice on waste collection services in their areas. A contract was being proposed on a 10 + 10 year basis, valued at £230m. It was too early at the moment to comment upon how waste collection services across the new Council would be harmonised in the future

(iii) that while the future of NHB was uncertain (although the 15/12 announcement on the Financial Settlement had not changed payment thresholds for next year), it would be a decision for the new Council on whether it wished to ring-fence a proportion of NHB for Parish initiatives. AVDC was the only one of the Bucks Councils that currently did this.

(iv) that the Council undertook periodic reviews on people's eligibility to claim the Single Persons Council Tax discount.

RESOLVED –

(1) That the approach outlined in the report and to be used for developing the budget for 2019/2020 and the MTFP be noted.

(2) That the Committee was supportive of the repurposing of the Business Rates Equalisation Reserve and the Interest Equalisation Reserve in order to provide the Council with initial financial capacity to respond to the costs of reorganisation.

(3) That the Committee was supportive of AVDC developing a set of priorities underpinning the 2019/20 budget setting process, that could act as a sort of

corporate strategy and assist to enshrine AVDC values/principles into the new Council.

(4) That Cabinet be asked to take into consideration the comments at (i)–(iii) above in finalising the budget proposals for 2019/20.

4. TREASURY MANAGEMENT 2018-19: MID YEAR REVIEW

The Authority's Treasury Management Policy required an annual report to be brought to Council after each year end and a mid year report for the current year. A synopsis of treasury management activities had been included in the Quarterly Financial Digest submitted to the meeting.

Members were informed that the amount of money deposited with banks and building societies at the end of September 2018 was £40 million with another £7.3 million held in the two Money Market Funds. The outstanding balance on borrowings was £18.5m with £5m having been repaid to the London Borough of Newham Council in May 2018/19 using investment balances. As there had been no new no new borrowing taken out there had been no change to the Council's Authorised and Operational Limits.

The objectives for the Treasury Management team for 2018/19 had been laid out in the Treasury Management Strategy agreed by Council in February 2017. The main activities continued to be:-

- Foremost, to maintain, the security of the Council's deposits by only depositing with trusted financial institutions and limiting the size and length of deposit with each organisation.

- To directly manage a range of deposits in order to provide sufficient flexibility to meet day to day operational needs.

- To only undertake new long term borrowing where the business case justifies it.

The Treasury Management team continued to invest money in line with its list of approved (safe) institutions, varying the amounts and length of deposit according to the institution and the cash flow requirements at the time. Historically, the majority of the Council's lending had been with Building Societies but over the last year the Council had invested more of it's portfolio with major UK banks and had also began depositing funds with other Local Authorities as a more secure option. The lending list was monitored throughout the year to take account of any changes within the sector i.e. building society mergers / conversions to banks, and ratings changes.

Members were informed that actual performance was largely in line with the plan. With interest rates still at a low level, the actual amount of deposit income generated exceeded the half year target of £165,000 by £1,454.17. The target for 2018/19 had been increased to reflect historic activity and anticipated changes in the market. Generally interest rates were improving. For the first 6 months of 2017/18, the weighted rate of return on the investment portfolio had been 0.48% compared to 0.76% for April – September 2018.

The interest rate had increased in August 2018 and the market indications were that there may be further interest rate changes in 2019/20. There were however a number of economic factors e.g. Brexit that would influence interest rate changes over the coming months. The Council ability to manage capital spend without additional borrowing has resulted in financial efficiencies and savings on the cost of borrowing

The report also contained graphs and information on the average monthly balances deposited by the in house team and rates of return received over the financial year compared to the 3 month LIBID rate.

For the 6 months to the end of September 2018, the weighted average rate of return for the Council had been 0.76% on investments of £47.3m compared to average of 61% (on investment of £45.4m) during 2017/18. The performance to date in 2018-19 compares to Benchmarking data where, across 227 Authorities, the weighted average rate of return had been 0.79%, on average investments of £79.8m.

The council continued to operate two Money Market Funds to give the in-house team easy access to surplus funds. Whilst, Money Market Funds had the highest credit ratings, the interest rates offered were typically 15-25 basis points below those of Fixed term Deposits. However MMFs offered the most effective fund structure to manage the council's daily cash flow requirements.

Property Funds still offered some of the best returns on capital. Investing in a Property Fund was within the strategy but as yet the council had decided not to use them. Any investment would have to be for a minimum of five years in order to maximise the return. However, if there was any change and an investment was being considered then a report would be brought to Council for consideration.

The Committee had no substantial comments on the mid year report and thanked the in-house team for the efficient manner in which they continued to manage the Council's funds.

RESOLVED –

That the performance to date against the Treasury Management Action Plan for 2018/19 be noted.

5. CONNECTED KNOWLEDGE

The Committee received a report on the progress made against the Connected Knowledge Programme over the last two years. AVDC had approved a total of £3.1m over the period 2017/18 and 2018/19 for Phases 1 and 2 of the programme up to March 2019.

The report contained information looking back at what had been delivered by the programme to date and would be delivered up to March 2019. This included information on the financial spend and the benefits delivered.

Information on Phase 3 (future phase) of the Connected Knowledge Programme would be included in the budget setting papers to be submitted to the scrutiny committee in January 2019 and to full Council in February 2019. Future planning had included looking at the lessons learnt to date and ensuring that the Council built on the work that had already been delivered to date.

The programme had delivered 46 projects to date, with 27 in flight and a further set in the planning stages. It had delivered the first council Alexa skill, and then improved it by adding 'Find Your Bin Day' in line with customer demand. It had delivered the first true Artificial Intelligence in the Council's customer services area and continued to expand this capability to include more breadth of queries and automation. There were currently 59,881 active My Accounts, with the team able to handle 1,900 webchats per month.

The Programme board and Steering Group had provided governance to control the call off of funds for each project once a business case, including benefits realisation has been put in place. In addition, there had been a strong focus on closing down projects and moving to business as usual.

Some elements of the programme have been delayed due to resourcing issues, but funding for these elements had been ring fenced to ensure they could still be delivered. The Connected Knowledge programme had continued to deliver in line with these key areas:-

- Innovation - the introduction of innovative new solutions such as voice recognition and artificial intelligence for call handling and decision making.
- Transformation - the rollout of internal process automation and customer self service.
- Legacy reduction - the removal of legacy technology and introduction of more flexible systems that will further support integration of data to enable customer needs to be anticipated.

The programme had delivered

- the first council to have an Alexa skill.
- use of Artificial intelligence in customer services.
- a new corporate network with improved resilience.
- a new public wifi network with increased capacity for staff usage.
- new licensing and environmental health system on an integrated platform.
- new building control system on an integrated platform.
- new planning and land charges system on an integrated platform (still in flight).
- more resilient Revenues and Benefits system.

The advances had created a strong foundation for the next five years, enabling the Council to think bigger and more creatively about the challenges and opportunities and how it was best positioned to benefit from them.

Members requested further information and were informed:-

(i) that the lessons learnt had included underestimating the need to keep helping staff once systems had been introduced, and recognising that it was important get staff and teams to ‘own’ change processes.

(ii) that the programme had used Connected Knowledge champions within the areas experiencing change. The champions were then able to lead on change in their teams.

(iii) that the two business cases that had been rejected had been for a new electoral registration system (due to business timing issues) and for investment in a Garden Waste app.

The Committee commented that they were encouraged by the good governance and support arrangements that were in place for the Connected Knowledge Programme and, it was,

RESOLVED –

That the achievements of the Connected Knowledge Programme over the previous phases including the benefits achieved so far be noted.

6. WORK PROGRAMME

The Committee considered their work programme for the period until July 2019.

The agenda for future meetings would be:-

14 January 2019 – Budget Planning 2019-20, Capital Programme Update, Public Sector Equality Duty, Treasury Management Strategy and Debt Management report.

8 April 2019 and 2 July 2019 – no agenda items as yet.

RESOLVED –

That the work programme be agreed, as discussed at the meeting.

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Finance & Services Scrutiny Committee
14 January 2019

DRAFT BUDGET PROPOSALS 2019/20

1 Purpose

1.1 The Scrutiny Committee is asked to review the attached report on the draft budget proposals for 2019/20 (that were considered by Cabinet on 18 December 2018) and indicate any comments / feedback that it wishes Cabinet to taken into account in recommending to full Council the budget for 2019/20 and the Medium Term Financial Plan, as set out in summary form in the table at Appendix A to the Cabinet report.

1.2 Scrutiny's comments will be reported to the Cabinet meeting on 16 January, 2019, with Cabinet's recommendations for the budget for 2019/20, MTFP and proposed level of Council Tax then submitted to the full Council meeting on 6 February 2019.

2 Recommendations/for decision

2.1 The Scrutiny Committee is requested to indicate any comments it has on the draft budget proposals and Medium Term Financial Plan for 2019/20 that it wishes Cabinet to take into account in making final recommendations for full Council to approve.

3 Executive summary

3.1 Cabinet on 16 January 2019 will be agreeing the final recommendations for full Council on the draft budget for 2019/20 which includes the Medium Term Financial Plan, the proposed level of Council Tax, and proposed fees and charges for 2019/20. A copy of the Cabinet report and the background information used in putting together the draft budget is attached.

3.2 The Cabinet report highlights that there is still uncertainty around a number of issues particularly further reductions in Government Grant, retained business rates and the New Homes Bonus. In the few weeks since the initial proposals were considered by Cabinet, work has continued to refine the budget assumptions contained within that report. In practice, little has materially changed at a service level and so the significant elements of the final budget proposals are around the impact of the proposed Government Grant numbers and changes to other centrally funded support. Cabinet are due to review the final budget proposals on 16 January 2019.

3.3 The scrutiny committee are asked to note the outcome of the provisional local Government settlement for 2019/20 announced on 13 December 2018 and the impact on the final budget proposals. The main factors of the finance settlement were:

- Updated Core Spending Power figures.
- Confirmation of continuing cuts to RSG.
- Removal of Negative RSG.
- Increases to RSDG (+£16m) and NHB (+£18m) Funding.
- £180m released from the BRR levy account.
- Provisional Social Care Allocations of £650m (Budget 2018).
- 15 new 75% Pilot areas announced for 2019/20 (and 7 back to 50%).
- No changes to the Council Tax referenda principles (aside from Police).

3.4 Specifically, for AVDC:

- The important numbers of Revenue Support Grant and Baselined Business Rates were virtually the same as those announced for 2019/20 last year within the 4 year settlement. 2019/20 represents the last year of the 4 year settlement.
- AVDC is better off by £690,000 due to the removal of Negative Revenue support grant. This non-recurrent benefit had largely been foreseen and has been earmarked to support growth.
- Buckinghamshire has been awarded Pilot Status for 75% Business Rates Retention in 2019/20. The actual gain from this won't be known until the year end but it is estimated this could be circa £1.6 million for AVDC.
- The Government heeded sector concerns about the dangers of reducing the benefit from NHB and they decided to leave the thresholds unchanged. AVDC will therefore receive £5.9 million next year under this scheme, approximately £100,000 more than estimated.

3.5 The final funding allocation for the 2019/20 settlement will be laid before the House of Commons in February 2019.

3.6 The Scrutiny Committee is requested to indicate any comments it has on the draft budget proposals for 2019/20 that it wishes Cabinet to take into account in making final recommendations for full Council to approve.

Contact Officer	Nuala Donnelly (01296) 585164, Andrew Small (01296) 585507
Background Documents	

Cabinet
18 December 2018

BUDGET PLANNING 2019- 20 AND BEYOND - INITIAL PROPOSALS
Councillor Mordue
Cabinet Member for Finance and Resources

1 Purpose

1.1 The report presents the initial budget proposals for 2019/20 for Cabinet's consideration (Appendix A).

1.2 The report refers to the emerging revenue position for the organisation for 2019/20 and future years and details the impact of organisational change, planning decisions, estimated efficiencies and commercialisation gains. The report also details emerging financial opportunities and risks.

1.3 Even though it is clearly not the situation, the medium term plan has been constructed largely on the basis of continuing authority. This approach provides the new unitary authority with an understanding of the pressures and opportunities facing Aylesbury Vale and its proposed solutions.

1.4 The recommendations of Cabinet will then be considered by Finance and Services Scrutiny Committee on 14th January 2019 and then re-presented to Cabinet on 16th January 2019 so it can make its final recommendation to council.

2 Recommendations/for decision

2.1 Cabinet are requested to consider the report and the initial set of budget proposals for 2019/20 together with the Medium Term Financial Plan and then agree;

a. To take into budget planning the £1.916 million of proposed savings as set out within paragraph 4.6 to this report;

b. To take into budget planning the £2.354 million of forecast pressures as set out within paragraph 5.2 and 5.3 to this report.

c. To increase Council Tax by an annual amount equal to £5.00 (3.35%) for a Band D property (equivalent to less than 10 pence per week), from 1st April 2019;

d. To agree for work to continue on the development of the budget proposals and for any net variance resulting to be either added to, or deducted from General Balances;

e. To agree the revised list of Fees and Charges attached as Appendix E to this report;

f. To approve the use of £1.48 million from the New Homes Bonus reserve to meet the costs of the Connected Knowledge Programme in 2019/20 (Appendix F);

g. To recommend the initial budget proposals to Finance and Services Scrutiny Committee for consideration and comment

2.2 Cabinet are also advised to recommend the level of the Band D Special Expenses charge for 2019/20

2.3 Cabinet are asked to agree, in principle, to ring fence the possible additional funding realised by the central government cancellation of negative revenue support grant in 2019/20 to support planning developments and also car park capital spend agreed as part of the Parking Strategy review.

3 Background

3.1 This report provides an update to the Cabinet on the progress in developing the financial plan for 2019-20 to 2022-23.

3.2 The report to Cabinet on 20 November 2018 set out the context for 2019/20 budget planning and outlined a series of high level issues facing the Council when developing budget proposals and updating its Medium Term Financial Plan (MTFP). There remain a number of key uncertainties, such as the financial impact of the unitary decision, retained business rates, funding levels in relation to Government Grant and level of New Homes Bonus. These issues are explored further as part of this budget report.

3.3 At the time of writing the report, the Secretary of State has confirmed his decision to create a single Unitary District Council for Buckinghamshire which will come into existence in May 2020.

3.4 This fundamentally changes what will happen during the period of the proposed MTFP. This clearly removes the need for medium term planning for Aylesbury Vale as a single entity organisation, but the Council remains obligated to hand over its affairs to the new organisation in the best state it can. This means continuing to tackle known budgetary issues, generating new income streams and balancing its finances.

3.5 At this early stage, the financial implications of the announcement are yet to be fully understood. As thinking and understanding are progressed, the significant financial impacts will be reported to Members.

3.6 With the need to resource an implementation plan for the new council and the need to manage staffing costs across this transition period, Cabinet has previously agreed that the equalisation funds for business rates and interest be repurposed and made available to offset the transition costs associated with local government reorganisation, subject to any demands being placed upon them in 2019/20. This will provide initial flexibility, but there is no clear sense at this stage whether this is sufficient (when pooled with the other councils) to see through the reorganisation. As a consequence, this will need to be revisited. The combined value of these two reserves is estimated to be circa £5 million at the end of 2018/19.

3.7 At its meeting in November, Cabinet agreed that as part of the budget setting process for 2019-20, the Council should adopt a corporate strategy for 2019/20 which is focused on:

- Ensuring that we are Financially fit, including ensuring our commercial approaches of the past continue and we continue to grow and diversify our income streams
- Leading and the shaping place, ensuring we adopt VALP, and continue to cherish our towns, villages and areas whilst managing planned growth and regenerating our towns
- Focusing on our Customers and our ongoing innovation in customer delivery and digitisation, and

- Ensuring our Partners and Communities help us deliver our goals and we ensure they are included in our decision making.

3.8 This report seeks to bring together an indication of those factors which can be predicted, with some certainty, and proposes a strategy for dealing with those factors which reasonably cannot.

3.9 As highlighted in previous years the Council Strategy for balancing the budget is an ongoing process and not an annual exercise purely undertaken once a year. The ongoing work across the Council in terms of its commercial agenda (in its widest sense) has meant that this draft budget has avoided the need to take lists of potential service reductions through scrutiny committees.

3.10 The tone of this budget setting and planning report is primarily focused around the delivery of efficiency savings and new income generation but with consideration of the wider budgetary risks potentially facing the Council.

3.11 The report divides the main elements of budget planning between service pressures, savings proposals and provides detail on funding streams including Government Grant, Business Rates and proposals for Council Tax

3.12 The net budget for service related expenditure available across the Organisation for 2019/20 is stated as £17.371m. This largely represents baseline funding of £16.934m carried forward from 2018/19, with additional provision made for service pressures for the 2019/20 financial year, offset by realisable savings.

3.13 In setting the plans, consideration has been given to the longer term view and given the scale of efficiencies identified during the budget setting process for 2019/20 it has been possible to provide for savings in future years. It is important that anticipated savings beyond April 2020 are clearly articulated so as to ensure that the new organisation understands both the work undertaken and planned in order that it can incorporate this in to its own financial planning (should it wish).

3.14 In setting the budget for 2019/20 a number of working assumptions have been made. These are based on the best known information at the time of writing the report.

3.15 However, given the dynamic national and local environments, it may be necessary to amend proposals in view of any emerging changes to financing. Work will continue on refining the elements of uncertainty between now and the Cabinet's final budget proposal. This will be informed by Finance and Services Scrutiny Committee's comments, the latest projected position on Business Rate Growth and the grant numbers from Government expected 6th December 2018.

3.16 The Chancellor delivered the 2018 Budget on 29 October 2018. There were a number of tax and spending announcements of relevance to local government, and the Chancellor outlined the trajectory of overall public spending for the 2019 Spending Review.

3.17 The Chancellor indicated that "austerity" was coming to an end and the UK economy was entering into a period of economic growth. Predications are that public spending will increase by 1.2% year on year in real terms, and this will be a fiscal stimulus to the economy generally. There are potentially a number of underlying risks to delivery of the revised forecast including the impact of Brexit and any changes to the economy.

3.18 The Chancellor's Autumn Budget promised more funding overall for public spending. However, the majority of this additional funding will be targeted to meet NHS service demands, with other Departments likely to bear the brunt of continuing financial pressures and funding reductions. It is therefore reasonable to assume that Local Government will continue to see ongoing reductions in funding over coming years and this should remain the central planning assumption.

3.19 As at the end of September 2018, the Council is forecasting an overspend against the 2018/19 plan of £0.238m (before the application of reserves). Work continues to manage this forecast overspend down over the last months of the financial year. It is anticipated that the exceptional costs underlying the forecast deficit will be managed through use of balances in 2018-19 and there will be no impact on 2019-20 planning assumptions.

4 Savings and Income Identification Options

4.1 As set out in the report to Cabinet in November the approach adopted for setting the budget for 2019/20 is similar to that followed in recent years and relies primarily on capturing the savings delivered via service reorganisation, income generation and restructuring undertaken in previous years, (in anticipation of the Government Grant reductions).

4.2 Since the prospect of greatly reduced Government Grant was first mooted in 2010/11 the Council has devoted considerable effort and resources to identifying and delivering a smaller net budget requirement. This has been achieved by reconsidering what it does, what it could do and who should pay for the services provided.

4.3 The major transformation exercise of 2017/18 and the planned response to budget reductions represents a cornerstone of the budget development process. Budget holders also continue to be engaged in identification of other measures to increase efficiencies and to increase income potential. Managers have been empowered to manage within agreed financial parameters, to identify where things can be done more efficiently and to take advantage of in year productivity and non-recurrent opportunities to identify savings.

4.4 A list of the significant savings to be incorporated into budget planning is set out in Appendix C to this report.

A total of £1.916m of savings have been identified for 2019/20 and include:

a) Further savings opportunities arising from continued review of staffing requirements, (£0.317m)
b) Savings arising from identification of improved income opportunities (£1.099m)
c) Proposed improvements in efficiencies with savings budgeted at £0.500m

4.5 The refresh of the 2019/20 has resulted in the identification of additional savings from those previously identified.

4.6 The Cabinet will note, in particular, the efficiency savings and income opportunities arising from:

- Staff savings of £317,000 have been realised over a number of areas including Customer fulfilment and internal restructures, including a saving from the removal of an Assistant Director post.
- Proposals include increased income streams in relation to planning applications, Pre Planning Agreements and Building Control fees (£200,000), 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.
- £150,000 has been includes as a Dividend from the Joint Crematorium Committee.
- It is anticipated with the completion of the Waterside North development, an additional £100,000 income will be recovered for the Council in 2019/20.
- The investments made in previous years, with the purchase of refuse vehicles, has now resulted in recurrent revenue savings on running costs, forecast at £175,000 per annum.
- A proactive and effective management of contracts generally through effective procurement processes (£100,000) and specifically for some property contract arrangements. Service charges for properties the Council rents out are anticipated to increase by £76,000 and the previously re-negotiated Waterside Theatre contract is expected to realise savings of £25,000.
- The budgets for audit and information security have been reviewed and savings of £40,000 and £80,000 identified accordingly, with budgets now aligned to anticipated spend.
- The budget proposals also include a reduction in spend in relation to financial support for Citizens Advice Aylesbury Vale Grant (£10,700). This is in line with previously agreed funding arrangements.

5 Pressures

5.1 A list of the significant budgetary pressures included in the financial plan for 2019-20 are set out within Appendix D to this report.

5.2 A total of £2.354m of budgetary pressures have been identified and include

- Additional budget pressures of £1.481m for 2019-20 in relation to service delivery
- Cost pressures in relation to inflation of £0.873m

5.3 A number of new spending pressures have materialised in discussions with budget managers as part of the budget setting process. The Cabinet will note, in particular, the pressures in relation to:

- It is anticipated that income from the sale of recyclables will continue to decline. This cost pressure was initially identified in 2018-19 as major problems in the global plastic recycling industry started to cost all local councils The risk of reduced income and increased costs have been recognised as a budgetary pressure (£200,000)
- As a result of a dynamic and challenging market environment, a budget provision of £250,000 has been made to meet anticipated reductions to rent and service charge recovery across the Council.
- Provision has been made for additional revenues costs as a result of operationalisation of the Connected Knowledge programme (£200,000) and

other systems software costs (£30,000). In particular, the additional cost is mainly associated with licencing and hosting costs.

- The 2019-20 budget proposals identifies additional staffing for a number of departments:
  - The planning department and the IT department. This aligns to spend patterns in 2018-19 as both departments aim to address underlying staff and workload pressures to ensure a more cost effective delivery model for the future. (£260,000)
  - Additional staffing within revenues and benefits to support the continued operationalisation of universal credit (£50,000). Once embedded it is anticipated that these costs will be removed
  - The re-instatement of the Learning and Development post within People and Culture in recognition of input to staff development (£39,000)
  - Staff changes across customer fulfilment (£47,000) to address current salary pressures
  - A restructure within Property services resulting in a new post to promote property management (£44,000)
- Additional budget provision has been made available to promote the AVDC website development and intranet (£31,000), and also to meet the costs of the Modern Gov annual fee not previously budgeted (£12,000)
- In recognition of current pressures, a number of budgets across the sectors have been realigned to reflect income which is no longer recoverable. This includes addressing historic income targets to ensure income targets set are realisable and recoverable (£167,000)
- For waste services, an additional provision for staff is included to support on-going service developments (£75,000)
- In recognition of the Exchange Street project, a budget provision of £26,500 has been made to support costs of maintenance.

5.4 The cost pressures include a general provision for inflation and pay related costs of £0.873m.

5.5 Two years ago the Staff Side and Unions agreed a two year pay settlement to 2018/19 (2% increase in 2018/19). A new agreement will need to be reached with staff for 2019/20 and discussions have commenced.

5.6 The draft budget allows only for a general provision for inflation and pay as the pay increase has yet to be agreed. Allowance has also been made for payment of annual increments to staff.

5.7 In practice, the looming Brexit deadline is having unpredictable effects on the economy as markets react to the uncertainty the issue is causing. Much of this will be determined and resolved by the Government's approach to the exit from the European Union.

5.8 At the point of writing it is still not clear as to what kind of agreement the UK Government can achieve or how global markets will react to this.

5.9 For now, it appears that continued uncertainty might weaken the Pound and push inflation higher in the short term. Seemingly, this will now hasten higher interest rates. However, the situation is volatile and provides an uncertain environment in which to plan. This will need to be kept under review, but it seems unlikely that any great clarity will emerge during the budget planning period. It is therefore probable that this will become one of those issues that will necessitate continual review and a higher level contingency.

5.10 Elsewhere on the agenda is a Capital Programme update report that includes all the recent schemes that have been agreed. The budget provision for 2019-20 does not allow for any additional costs for borrowing, or associated revenue costs to support the capital programme for 2019-20 and future years. For a number of years now, the Council have successfully managed capital spend from effective management of cash balances and have avoided spend on borrowing costs. It has been assumed that this prudent position of under borrowing will continue.

5.11 At a meeting on 13 September 2017, Council agreed a Commercial Property scheme of £100m. No revenue implications for this overall scheme have been included in the revenue budget for 2018-19 and future years. This is based on the premise that any business cases arising from the plan will be required to be revenue generating with no call on existing revenue resources.

5.12 The decision to create a single Unitary District Council for Buckinghamshire will inevitably impact on any future investment decisions made by AVDC.

5.13 The pressures represented in the budget reflect the outcomes of discussions with budget managers across the Organisation.

6 Government Grant

6.1 The 2015 Spending Review outlined a multi year settlement offer for local Government, which 97% of all councils accepted. The Settlement for 2019/20 represents the final year of this settlement.

6.2 The table below sets out the elements of Grant covered by the 4 year Settlement. Currently only the Revenue Support Grant element is confirmed as the Baseline Funding Level relates to the retained benefit the Council receives from the Business Rates it collects.

	2016-17 £M	**2017-18 £M**	**2018-19 £M**	**2019-20 £M**
Settlement Funding Assessment	5.22	4.30	3.83	3.26
of which:				
Revenue Support Grant	1.57	0.58	0.00	0.00
Baseline Funding Level	3.65	3.72	3.83	3.95
Tariff/Top-Up	-16.16	-16.47	-16.96	-17.50
Tariff/Top-Up adjustment				-0.69

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

6.4 The government has announced that it is aiming to publish the Provisional Finance Settlement on 6 December 2018. This paper has been produced ahead of the grant announcement and so a verbal update will be given to Cabinet.

6.5 For the purposes of this draft budget proposal it has been assumed that there is no change to the baseline funding of £3.83m. Any deviation from this planning assumption will require additional modelling of the plan for future years and may impact on the final position recommended to Council.

6.6 A new system (Fair Funding), based on a Government consultation, will be introduced in 2020/21 alongside a Government wide Comprehensive Spending Review.

6.7 The Fair Funding Review will affect how funding is allocated and redistributed between local authorities from 2020 onwards. It is expected to use three main 'cost drivers': population, deprivation and sparsity, together with additional cost drivers related to specific local authority services.

6.8 How this will be done has still to be confirmed and will be the subject of further consultation between now and mid-2019; and it will also be influenced by discussions within a number of joint working groups between the Ministry of Housing, Communities and Local Government (MHCLG) and the Local Government Association (LGA). 'Indicative numbers' for funding allocations to individual councils are to be available by spring-summer 2019, and the review is to be implemented in April 2020.

6.9 Alongside the new methodology, in 2020/21, a new phase 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.

6.10 The government has announced that alongside the Provisional Settlement on 6 December 2018 it is also intending to issue consultations on;

- The further progression of the Fair Funding Review in advance of Provisional Settlement 2019/20; and
- The redesign of business rates retention by the end of the year.

6.11 The working assumption, based on trends to date and intelligence of Senior Officers, is that government grant funding will continue to decrease for this tier of government. Allowance has been made in the medium term financial plan for reduced levels of funding but the extent and timing of the reduction is not known with any certainty and this poses a risk for accurate future planning. It is against this background and emerging risks that AVDC continues to focus on increasing opportunities to enhance income generation opportunities through Commercialisation.

Negative RSG in 2019-20

6.12 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 review this element during the forthcoming year, but warned that any solution will need to be found from within the existing Local Government funding envelope.

6.13 Negative Revenue Support Grant is the name given to a downward adjustment of a local authority's business rates top-up or tariff. This occurs as a consequence of changes to the distribution methodology adopted at the 2016-17 settlement, which formed the basis of the multi-year settlement.

6.14 For many authorities, the required reduction of Core Funding exceeded their available Revenue Support Grant. To deal with this, business rates tariffs and top-ups were adjusted so that an increased amount of business rates were redistributed away from the authority and towards other authorities. This adjustment has since become colloquially known as ‘Negative RSG’.

6.15 In 2019-20 Negative RSG totals £152.9m and affects 168 authorities.

6.16 MHCLG has explored a number of possible options for addressing the issue of Negative RSG, and has formed an initial preference to eliminate the issue via forgone business rate receipts as alternative options are assessed as being unaffordable or fail to resolve the issue.

6.17 The Government considers direct elimination of Negative RSG via forgone business rates receipts the preferred approach to resolve Negative RSG, meeting the key criteria of being both fair and affordable. This option also benefits from being both simple and direct.

6.18 This option would remove Negative RSG for all the authorities affected at a cost to the Government of £152.9m in forgone business rates receipts. This funding would be met from the Government’s share of business rates.

6.19 The final and definitive outcome and financial impact will not be known until 6th December. However, the indication is that the financial impact of the proposed change will benefit the Council by circa £0.7m. This will be a non-recurrent re-alignment of funding.

6.20 Given the non-recurrent nature of the proposed additional funding, it is recommended that the funding will be ring fenced to support likely and known pressures during 2019-20 to include £0.3m to support the ongoing housing growth agenda in Aylesbury Vale and the associated infrastructure schemes, such as HS2, East West Rail and the Oxford Cambridge expressway. It is recommended that the remaining £0.4m is allocated to meet the costs of the car park changes (replacement equipment) detailed in the Car Park Strategy

6.21 For AVDC, this goes some way to addressing concerns about the ending of core central government funding next year and having to pay vital business rates income to the government as a result of negative revenue support grant in 2019-20.

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 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 2019-20 as the AVDC retained share of the Business Rates Growth.

7.3 The position will continue to be kept under review as the detailed budget continues to develop so that the final budget report can be informed by the latest information available at that time.

7.4 The Council has to date held a Business Rates revaluation Reserve, the purpose of which was to meet any significant year on year fluctuations caused by the volatility inherent in the Business Rates system.

7.5 The decision by Cabinet on 20th November to use the Business Rates revaluation reserve to support the transitional costs to a unitary organisation means that this reserve will no longer be available to manage the financial impact of changes. The risk is somewhat mitigated by proposed changes to the system which will need to be addressed by the future administration.

7.6 From 2020-21 the business rates baseline will be redistributed according to the outcome of the new needs assessment, subject to suitable transitional measures.

7.7 Since 2013, business rate retention has also rewarded councils with a share of growth in business rate revenues. In February 2016, the Government complemented these changes with the announcement of a ‘fair funding review’, followed by consultations in July 2016 and December 2017.

7.8 The fair funding review will be used to change business rates baselines. These provide each council’s starting point for the business rate retention system. New baselines will be applied in 2020 – but not reviewed annually. This will mean that in the years after 2020, individual councils’ incomes will diverge from the baseline, as their business rate revenues grow by different amounts. This is a deliberate outcome of rate retention: it is intended to encourage councils to try to increase their rate revenues instead of being dependent on the Government for funds.

7.9 The effects of the review on councils’ financial health are not clear cut. The outcomes will depend critically on a number of issues including for instance, how the baseline is set, how long before the next review and how to divide rate revenue between counties and districts (‘tier splits’). These are all still subject to the consultation process.

7.10 In practice, tier splits will become irrelevant within Buckinghamshire if the new unitary council comes into existence on the 1st April 2020. The Government Grants currently received by each of the existing Bucks authorities will be collapsed together and this will become the new entitlement.

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 2019/20 planning purposes, no account has been taken of any anticipated gain in this budget proposal. This presents a prudent position given risks in terms of e.g. valuation appeals. Any gain achieved will therefore be placed in the Business Rates Equalisation Reserve and decisions on how to apply it will be brought forward once the actual gain is known, or alternatively will provide extra contingency against the costs of unitary or Brexit.

8.4 The Government remains committed to the concept of business pooling and it is piloting ways to achieve the broad ambitions of its policy intention without the need for primary or secondary legislation.

8.5 The government has announced a third phase of business rate retention pilots will go ahead from April 2019 with a 75% retention scheme and the ‘no detriment’ clause scrapped. Pilot areas in the previous two rounds have been trialling 100% retention of business rates and will continue to do so for the relevant year.

8.6 Working together with the other councils in Buckinghamshire, AVDC has made an application to test the 75% retention pilot in the next financial year. New 75% retention pilots in 2019/20 will increase the level of retained rates to the council but also provide the opportunity to test and gather information on the design of the new business rates retention system in preparation for 2020/21. The pilots will test authorities' administration, technical planning for implementation, and look at system maintenance; how the accounting, data collection and IT systems will work.

8.7 Projected savings from the pilot are estimated to be up to £7.7million (across the Pool), of which £5.2m is from higher growth share and £2.5m from no growth levy.

8.8 MHCLG said it expects successful applications to be announced alongside the publication of the provisional local government finance settlement.

8.9 It should be restated that there is an ongoing legal challenge to a significant group of rateable properties within the Vale. If successful, and if backdated, the local repayment might amount to many millions and could wipe out any gain from Business Rates in the current year.

8.10 The impact of the Chancellors statement of October 2018 to cut business rates by a third for small retailers with a rateable value of £51,000 or less will also have to be a budgetary consideration, but the Government has committed to compensate councils for the cost of this change.

9 Investments / Net Borrowing

9.1 The Council has been using its cash balances over the past few years in lieu of long term borrowing. This delivers an advantage over lending returns whilst base rates remain low. The financial advantage in terms of lower borrowing costs has been factored into the initial budget proposal.

9.2 For 2019/20, and future years, additional income from Investment interest has been included. This is based on actual financial performance for 2017/18, forecast outturn for 2018/19 and a forecast for future years. The Council takes a proactive approach to managing cash balances, with the bulk of the income being recovered from short-term money market lending.

9.3 A reduction in borrowing costs is also a factor of the 2019/20 financial plan.

9.4 Decisions to borrow against agreed business cases are made on a case by case basis and may vary from original financing plans. All decisions to borrow are made against a background of existing resource availability and minimising costs and maximising returns. Where possible, decisions to borrow are avoided with the use of the Council's capital receipts being a preferred methodology to fund capital development. The reduced borrowing costs for 2019/20 are a direct result of decisions to borrow less against agreed plans.

9.5 In previous years, shortfalls of investment earnings, which have arisen from the record low base rate, have been smoothed via the use of the Interest Rate Equalisation Reserve. The Reserve has been used effectively over the past few years to smooth the budget pressure created by the lower interest rates in the realistic expectation that rates would recover.

9.6 At the meeting of Cabinet on 20th November 2018, a decision was made to utilise the Interest Equalisation reserve to support cost pressures arising from the unitary decision. Whilst there is some risk in terms of financial volatility in delivery of planned investment returns, in recent times there have been better than expected investment income and the expected outlook does not signify a significant risk in the short term.

9.7 The plan reflects reduces income from AVE interest payments (reduction of £43,900) and no change to Dividends payable in 2019/20. The plan has been adjusted to reflect actual and known interest repayments from AVE.

10 New Homes Bonus

10.1 The New Homes Bonus was introduced in 2011 to provide an incentive for local authorities to encourage housing growth in their areas. Over £7 billion has been allocated to local authorities through the scheme to reward additional housing supply.

10.2 Although the Bonus was successful in encouraging authorities to welcome housing growth, in the Government's opinion it did not reward those authorities who are the most open to growth. In December 2016, following consultation, the government announced reforms to the Bonus as follows:

- reduction of the number of years New Homes Bonus payments are made from 6 to 5 years in 2017-18 and to 4 years from 2018-19;

- introduction of a national baseline for housing growth of 0.4% of council tax base (weighted by band) from 2017-18, below which the Bonus will not be paid

10.3 The Government has retained the option of making further adjustments to the baseline in future years to reflect significant additional housing growth and to remain within spending limits set at Spending Review 2015. In 2018-19 the baseline remained at 0.4%. Due to the continued upward trend for house building, the Government has indicated that expects to increase the baseline in 2019- 20. This will be outlined when the provisional finance settlement is published later in the year. If increased, this will reduce the amount of Bonus the Council receives.

10.4 Below the baseline of 0.4% growth councils do not receive any financial reward for the new homes built in their areas.

10.5 2019-20 represents the final year of funding agreed through the Spending Review 2015. In the light of this, it is the Government's intention to explore how to incentivise housing growth most effectively, for example by using the Housing Delivery Test results to reward delivery or incentivising plans that meet or exceed local housing need. Government will consult widely on any changes prior to implementation.

10.6 Payments to the Council have already reduced from £7.9m in 2017/18 and £6.4m in 2018/19. It is expected that this will reduce still further in 2019/20.

10.7 Given the uncertainty surrounding its future, the initial budget proposals for 2019/20 and for the period of the MTFP, do not propose any changes to the contribution from New Homes Bonus into the revenue budget. This remains at £1.178m

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

10.9 Parishes had been notified that the Parish scheme was not inviting new applications because of the Secretary of States 'minded' decision. Even though this decision has been confirmed there remains the opportunity to holding a further bidding round in 2019/20 should the Cabinet wish to see the scheme proceed.

10.10 The scheme has been highly valued by parishes and is something the Council may wish to see continue into the new unitary authority and keeping the scheme going into 2019/20 would provide the continuity to enable this to happen, should it be the wish of the new council.

11 Aylesbury Vale Estates

11.1 An AVE Business Plan for 2019/20 is currently being developed.

11.2 Dividend payments are forecast within the developing central version of the AVE Business plan. A prudent assessment of the dividend payable has been included in the budget proposal. This has been set at £200,000. Any increase or decrease from the forecast dividend will need to be considered as part of the ongoing budget planning.

11.3 The AVE Business Plan also includes a downside Business Case, as part of their scenario planning, which does not include a dividend payment. This is recognised as a budgetary risk and account is taken of this in determining the appropriate level of Working Balances to be held this year.

12 Council Tax

12.1 On Council Tax, the Government has signalled its intention to hold the broad referendum principles from the last two years. Specifically, for districts, this means a maximum of 3% or £5, whichever is the greater.

12.2 As reported to Cabinet in the high level budget issues report in November 2018, national policy has now shifted away from the desire to see Council Tax levels frozen to an acceptance of minimal tax increases. In fact, contained within last year's 4 year settlement is an assumption that each council will increase its Council Tax by the maximum permissible amount, short of requiring a referendum.

12.3 The Government has assumed that each council will do this and has reduced the amount of Grant it intends to award each council by an equivalent amount. Therefore, any Council not increasing their Council Tax by the assumed amount will effectively be worse off than the Government intended.

12.4 It is important to note that in allocating grant reductions in the 4 year settlement, the Government has assumed that each qualifying council will take maximum advantage of this additional council tax increase threshold and has reduced grant by an additional amount equivalent to the extra Council Tax it expects councils to generate. Implicit within this, is a new Government assumption that more of the burden of funding council services will be transferred to the taxpayer.

12.5 Any council not wishing to pass this on to the taxpayer will consequently be worse off, as the Government will have reduced their Grant, assuming that they had.

12.6 Given this, the initial budget proposal include the assumed maximum £5 increase is adopted in order to ensure that the Council is no worse off than the Government assumed.

12.7 A £5 increase at Band D will represent a 3.35% increase, equivalent to just under 10 pence per week, and will increase the Band D Council Tax for Aylesbury Vale District Council to £154.06.

12.8 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.

12.9 Council Tax Harmonisation will be something that the Shadow Council will need to consider as part of its preparation for the new council. To the best of officer's knowledge all councils in Buckinghamshire are continuing to exercise their current council tax strategies ahead of this work without specific reference to the potential decisions of the new council around harmonisation.

12.10 The Government intends to provide an update on its proposals for council tax referendum principles including the Adult Social Care precept, alongside the provisional Local Government Finance Settlement later in the year.

13 Council Tax Collection Rates

13.1 The MTFP also reflects the finances arising from collection of Council Tax. For the purposes of planning, collections rates are assumed at 98.5%.

13.2 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.

13.3 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.

14 Reserves

14.1 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.

14.2 The vast majority of reserves held are for legitimate reasons and the balances are reasonable given a fair assessment of the budgetary pressures that they are held against.

14.3 The size of the reserves and the different timespans over which they will be required present an opportunity to mitigate some of the unforeseeable pressures.

14.4 The total balance held in reserves is expected to dip significantly over the next 2 years as the pressures against which they are held materialise and the infrastructure schemes for which the New Homes Bonus is held are delivered.

14.5 Cabinet have agreed to repurpose the Business Rates Equalisation Reserve and the Interest Equalisation Reserve in order to provide the Council with initial financial capacity to respond to the costs of reorganisation.

15 Review of Fees and Charges

15.1 Fees and Charges are reviewed as part of the annual budget setting review process.

15.2 Appendix E to this report includes detail of total fees and charges levied by the Council.

15.3 Work is ongoing in many of these areas.

16 Balances

16.1 Work will continue to work on refining the budget, making assumptions about the range of outcomes and aiming for the worst case scenario where appropriate.

16.2 The focus will now be primarily on 2019/20, but consideration will still be given to 2020 and beyond because of the obligation to hand Aylesbury Vale's affairs to its successor in a fit state. These efficiencies will contribute towards balancing the budgets in future years.

16.3 The 2019-20 MTFP assumes a balanced budget with no use of balances.

16.4 The working balances for 2019/20 are currently anticipated at £1.927m, marginally below the minimum assessed level for 2019/20 of £2m.

16.5 Appendix B provides detail on forecast General Reserve balances.

17 Commercial AVDC

17.1 In setting budgets for 2019-20, the organisation has set out clear objectives. These are intended to input into the unitary discussions and ensure AVDC's DNA is enshrined in the new Council.

17.2 By restating to Lead, Shape, and Enhance the economic, social and environmental wellbeing of the Vale, embedding AVDC values in the new unitary council , the Council starts to set out our 'legacy' for the new council.

17.3 The AVDC mission is to ensure that in its last year it delivers its aims and priorities and embeds its values in the new unitary council.

17.4 It is believed that Aylesbury Vale's sector leading experience and the attitude, innovation and enthusiasm of its staff will be invaluable to the new organisation in helping it to deliver modern, responsive services which are fit for the future.

17.5 Commercialism and efficiency has been at the heart of the Council's strategy for dealing with the financial challenges faced by the sector over the past few years. In terms of preserving and improving core service delivery against enormous financial challenges, this has been successful. Some governance issues have arisen as a result of this strategy but the Council has accepted the comments and used these to develop better risk profiles and to strengthen future governance arrangements.

17.6 Members are reminded of the AVDC priorities underpinning the budget setting process

<u>Financially Fit</u>

- 3 years of balanced budget strategy & contingency planning
- Continue to grow our income streams
- Robust Governance, Risk Management and Control framework to provide a platform from which to build the new
- council
- Publish our inheritance plan to ensure that the legacy of AVDC is clearly set out for the new council

Leading & Shaping of Place

- VALP Delivered before the new council is formed
- 970 homes per year – of which 225 affordable
- Delivery of the regeneration of Kingsbury and Market Square redevelopment in Aylesbury
- Delivery of 'The Exchange' and plans for the next phase of Aylesbury Town Centre Regeneration
- Embed Garden Town principles in our growth areas

Customer & Innovation

- Continue the delivery of our cultural and digital transformation programmes
- Ensuring we are listening to and improving our customer satisfaction
- Widen our customer service options and times/methods of delivery
- Provide excellent services for all our user groups which are fit for the future

Partners, Community & Environment

- Ensuring we have actively engaged in the development of key large scale infrastructure impacting on the Vale (e.g. Expressway, East West Corridor and HS2)
- Work with our Parishes and Communities to provide capital funding to and ensure that they have a strong voice in the new council
- Protecting our most vulnerable communities
- Modernise our Car Park infrastructure and offer to users
- Continuing to host Iconic Events celebrating our communities

18 Connected Knowledge

18.1 The organisation continues to progress its digital agenda, promoting innovation in the way services and IT solutions are delivered for customers and staff.

18.2 The Connected Knowledge Programme will underpin many of the components of future service delivery set out within the AVDC strategy and fits well with the proposed Unitary plans. It is therefore crucial to the Council in meeting the financial agenda and transformation over the coming years.

18.3 A detailed update on the planned programme was provided to the Cabinet at its meeting on 3rd December 2018. Funding of £1.48m is being requested for the 3rd tranche of works in 2019/20. This is in line with funding made available in 2017/18 and 2018/19.

18.4 Appendix F to this paper contains a report on the Connected Knowledge programme.

18.5 Building on phases completed to date, this programme of works will continue to deliver 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.

18.6 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.

18.7 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.

19 Medium Term Financial Plan (2019/20 and After)

19.1 The report to Cabinet in November set out the rationale for the core assumptions used in the Medium Term Financial Plan.

19.2 The report sets out the high level issues facing the Council when developing budget proposals for 2019/20 and in terms of updating its Medium Term Financial Plan (MTFP).

19.3 The largest and most significant issue being the announcement of a single Unitary District Council for Buckinghamshire. With the Secretary of State having only just made the announcement, this creates far more questions than answers. The most immediate question being, over what planning timeframe should the budget now be considered?

19.4 It is therefore proposed to continue to work on refining the budget, making assumptions about the range of outcomes and aiming for the worst case scenario where appropriate.

19.5 The focus will now be primarily on 2019/20, but consideration will still be given to 2020 and beyond because of the obligation to hand Aylesbury Vale's affairs to its successor in a fit state.

19.6 Despite the Chancellor announcing within his Autumn Statement that austerity is over, it is expected that austerity will continue for Local Government for at least the foreseeable future.

19.7 The Medium Term Financial Plan set out here is predicated on reductions at the same rate as experienced over the last 5 years through to 2023.

19.8 The period of the MTFP will fall within the timescale for the UK to leave the European Union. No financial implications of the change have been incorporated into the current MTFP, although this is taken into account in the level of un-earmarked balances available. The implications for the Council will be wide ranging with likely impacts on value of the pound and spending powers, possible impact on local business and business rates and also impact on availability of workforce.

19.9 Because of the various factors identified within this report as uncertain, it is expected that there may need to be material changes in the Final Proposals presented to Cabinet in January 2019. Where uncertainty exists it has been identified within this report along with the assumptions used and any mitigation strategy which exists.

19.10 Because of the narrow gap between Cabinet's meeting in January 2019 and the review of these draft proposals by Finance and Services Scrutiny Committee, also in January, it is hoped than an update may be provided to the Scrutiny Committee on the developing proposals.

19.11 A balanced budget is presented for the years to 2021/22. Assumptions on income spend and efficiencies are very challenging to make for future years. The general principles of reducing costs and increasing income will remain the fundamental streams to addressing financial issues going forward.

20 Budget Management

20.1 The MTFP and the proposed budget set the Plan against which budget monitoring will be reviewed during the financial year 2019-20.

20.2 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.

20.3 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.

20.4 The level of savings realised will be monitored on a regular basis and any variance to plan escalated, with alternative plans to be sought.

20.5 The last few years have been a time of transition as staff changes have been made in line with the cultural change environment. Having largely completed this, 2018/19 represents a time for consolidation as revised staffing establishments will be in place. The dependency on high cost agency staff must be targeted to reduce risk of in–year overspends.

20.6 Escalation processes will be in place to monitor performance in year against the agreed plan.

20.7 Once the 2019/20 plan has been agreed, the key issues and messages will be shared with the organisation. A number of specific messages will be highlighted including:

- Control of 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
- Manage the uncertainty in relation to Unitary

21 Special Expenses

21.1 This report normally seeks to include a recommendation on the Special Expenses budget for Aylesbury Town.

21.2 Work is progressing to develop this budget. From an initial review of costs and service charged into this area, an increase in budget of £38,200 is anticipated. This is due mainly to the new maintenance and equipment contract.

21.3 It is anticipated that Band D Council Tax can remain the same in this area.

22 Options Considered

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

23 Recommendations

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

24 Resource Implications

24.1 These are covered within the body of the report.

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APPENDIX A1

Medium Term Financial Plan 2019-20 to 2022/23: Draft Proposals

Classification	2018/19 Base	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£
Civic Amenities	169,500				
Communities	1,462,800				
Economic Development	(955,400)				
Environment & Leisure	2,828,100				
Finance & Resources	5,972,600				
Leader	1,621,600				
Planning & Enforcement	(840,400)				
Strategic Planning & Infrastructure	1,160,100				
Waste & Licensing	5,514,800				
Plus: Inflation and known Savings/Growth	0	437,300	(85,000)	24,500	900,000
(Less): Unidentified Savings Still Required **Add:** Savings in Excess of Requirement	0	0	0	0	(1,275,700)
Service Spend Total	16,933,700	17,371,000	17,286,000	17,310,500	16,934,800
Contingency Items	101,000	158,800	177,200	133,900	133,900
Financing & Asset Charges	(1,048,800)	(1,048,800)	(1,048,800)	(1,048,800)	(1,048,800)
Transfer to Reserves	1,032,700	1,032,700	1,032,700	1,032,700	1,032,700
Transfer from Reserves	(357,000)	(357,000)	(357,000)	(357,000)	(357,000)
Net Transfers to Reserves	675,700	675,700	675,700	675,700	675,700
Investment Interest	(330,000)	(380,000)	(380,000)	(420,800)	(430,000)
Interest on Long Term Borrowing	2,694,300	2,460,600	2,452,300	2,443,600	2,443,600
AVE Receivables	(2,053,900)	(2,011,600)	(1,967,700)	(1,921,900)	(1,549,800)
Contribution to/(Use of) Balances	240,000	0	0	0	0
Less: Special Expenses	(862,300)	(900,500)	(923,000)	(946,100)	(969,800)
New Homes Bonus	(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)
Funding Requirement	14,695,000	14,670,500	14,617,000	14,571,400	14,534,900
Funded By:					
Government Grant	(3,826,500)	(3,288,400)	(2,750,300)	(2,212,200)	(1,674,100)
Collection Fund Transfer	(61,000)	(67,800)	(67,800)	(67,800)	(67,800)
AVDC Council Tax	10,807,500	11,314,300	11,798,900	12,291,400	12,793,000
Council Tax Base	72,507	73,447	74,181	74,923	75,672
Council Tax	**£ 149.06**	**£ 154.06**	**£ 159.06**	**£ 164.06**	**£ 169.06**
Percentage Increase	3.48%	3.35%	3.25%	3.14%	3.05%

APPENDIX A2

Medium Term Financial Plan – 2019/20 to 2022/23
Summary of Changes

Classification	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£
Plus:					
Unavoidable Pressure		1,480,900	36,400	0	0
Inflation, Pay and Increments		872,800	901,000	1,030,400	1,060,200
Major Projects		0	0	0	0
Total	0	2,353,700	937,400	1,030,400	1,060,200
Less:					
New Income and Efficiency Proposals		(1,916,400)	(1,022,400)	(1,005,900)	(160,200)
Major Projects					
Total	0	(1,916,400)	(1,022,400)	(1,005,900)	(160,200)
Total Budgetary Pressure & Efficiencies Identified	**0**	**437,300**	**(85,000)**	**24,500**	**900,000**
Change in Available Resources					
Increase in Investment Interest		(50,000)	0	(40,800)	(9,200)
Decrease in Contribution From Reserves		0	0	0	0
Decrease in Capital Financing		0	0	0	0
Decrease in Borrowing Costs		(233,700)	(8,300)	(8,700)	0
Decrease in AVE Interest Payment		42,300	43,900	45,800	372,100
Increase in AVE Dividends		0	0	0	0
(Increase)/Decrease in Use of Balances		(240,000)	0	0	0
Increase in Contingency Provision		57,800	18,400	(43,300)	0
Increase in Collection Fund Surplus		(6,800)	0	0	0
Lower Government Grant - RSG		538,100	538,100	538,100	538,100
New Homes Bonus		0	0	0	0
Tax Base Growth		(140,100)	(113,100)	(118,000)	(122,900)
Additional Council Tax		(366,700)	(371,500)	(374,500)	(378,700)
Decrease/(Increase) in Special Expenses		(38,200)	(22,500)	(23,100)	(23,700)
Total Decrease/(Increase) in Resources	**0**	**(437,300)**	**85,000**	**(24,500)**	**375,700**
Savings Required	**0**	**0**	**0**	**0**	**(1,275,700)**
Net Change in Resources	**0**	**0**	**0**	**0**	**0**

APPENDIX B

Budget Proposals – 2019/20 to 2022/23
General Fund Revenue Balances

Classification	2018/19	2019/20	2020/21	2021/22	2022/23
	£	£	£	£	£
Balance Brought Forward	1,977,000	1,927,000	1,927,000	1,927,000	1,927,000
Windfall Gains & Special Applications of Balances					
- HS2	(2,000)	0	0	0	0
- Website and E-Commerce Programme	0	0	0	0	0
- Commercial AVDC Change Project	0	0	0	0	0
- Commercial Activities	(50,000)	0	0	0	0
Restated Balance Position	1,925,000	1,927,000	1,927,000	1,927,000	1,927,000
Forecast (Overspend)/Underspend Assumption	(238,000)	0	0	0	0
Planned Addition to/(Use of) Balances	240,000	0	0	0	0
Net (Use of)/Contribution to Balances	2,000	0	0	0	0
Balance Carried Forward	1,927,000	1,927,000	1,927,000	1,927,000	1,927,000

APPENDIX C

Savings, Efficiencies and Income - 2019/20 - 2022/23 - Budget Planning

Service Area	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Proposal
Development Management	200,000	0	50,000	50,000	Increased income anticipated through additional planning applications and PPA's
Contact Review	30,100	0	0	0	Removal of one post of SG2 level (Year 3) as part of staffing review
CF overall	53,200	0	240,000	0	Savings arising from revision of team review
Benefits - Universal Credit	0	0	30,100	60,200	Future planned savings resulting from efficiencies anticipated from implementation of Universal Credit
Waste Services	200,000	25,000	0	0	Planned increase to Garden Waste Customer Base
Commercial Services	75,000	100,000	43,900	0	Planned increase to Commerical waste Customer Base following service review
Development Management	0	0	82,900	0	Future planned savings from DM Reserve
Contract Management	100,000	50,000	50,000	50,000	Savings realised from contract management, procurement and delivery efficiencies 19-20 and future years
Democratic Services	0	54,900	25,000		Removal of Democratic Service Manager Post
Forward Plans	0	0	164,000	0	Future planned savings from Forward plans reserve
Sale of Transactional Services	10,000	20,000	20,000	0	Sale of Payroll, Finance, (Transactional Services)
Finance, Recoveries & HR	0	37,500	0	0	Reduction in establishment due to improvement in process & automation
Waterside Theatre	25,000	25,000	0	0	ATG Contract Review - Schedueld reduction of management fee
Conference Centre	30,000	30,000	0	0	Conference Centre Lettings - Increase To Current Income Stream & Review Future Charges
Strategic Parking	0	0	50,000	0	Gateway Parking - future planned P&D Income
Properties	100,000	200,000	50,000	0	The Exchange -New Rental Income from new development
Crematorium	150,000	0	0	0	Partner Dividend payable 19/20
M&E Contract	100,000	50,000	0	0	Reduction In anticipated spend on reactive maintenance
Newly Identified as Part of 2019/20 Budget Planning Cycle					
Core Costs	40,000	0	0	0	Reduction Audit Fees in line with anticipated spend
Governance	80,000	0	0	0	Reduction GDPR costs in line with anticipated spend
Legal	7,000	0	0	0	Savings arising from cessation of legal casework system
SEED	40,000	0	0	0	Increased Commercial Income Streams
Assistant Directors	85,000	0	0	0	Management savings following staffing review
Commercial Property	76,500	0	0	0	Revision to achievable rental Income in line with current income streams
Commercial Property	5,700	0	0	0	New income stream relating to Service Charges (public realm and Theatre)
Leisure Centres	28,000	0	0	0	Alignment of Leisure Centres Management Fee to contract value
Leisure Centres	15,000	0	0	0	Swan Pool – New Income Stream (Soft Play)
Sustainability	35,000	0	0	0	Cessation of service provision for sustainability and resultant savings
Commercial Property	80,000	0	0	0	Staff savings following business review (L8 post)
Commercial Property	9,900	0	0	0	Cessation of service provision for residential assets and lettings and resultant savings
Commercial Property	25,000	0	0	0	New income stream following catering contract review
Communications	22,500	0	0	0	Revision of budget to reflect current needs for research and development
Communities	10,700	0	0	0	Planned 5% reduction in Citizens Advice Aylesbury Vale Grant
Communities	10,000	0	0	0	Delivery of efficiencies within Community Development
Communities - CCTV	30,000	30,000			Potential savings due from transfer Of CCTV Services To Milton Keynes
Planned Development	14,000	0	0	0	Increased Monitoring Income, in line with current income streams
Homeless Trailblazers	23,800	0	0	0	Contribution of staff costs from grant provision
Waste Services	0	400,000	0	0	Anticipated future savings arising from Street & Horticultural Contract - In-House
Waste Services	0	0	200,000	0	Anticipated future savings arising as a result of redevelopment at Pembroke Road
Waste Services	125,000	0	0	0	Vehicle running costs reductions realised by new fleet procured 2017-18
Waste Services	50,000	0	0	0	Vehicle Fuel Reductions - New Fleet Procured 2017-18
Waste Services	30,000	0	0	0	Increased sale of bins from new developments
Total	**1,916,400**	**1,022,400**	**1,005,900**	**160,200**	

APPENDIX D

Budget Pressures - 2019/20 - 2022/23 - Budget Planning

Service Area	2019/20 £	2020/21 £	2021/22 £	2022/23 £	Proposal
Waste Services	200,000	0	0	0	UPM Contract Ceased - Recycling Credits Now Payable

Newly Identified as Part of 2019/20 Budget Planning Cycle

Comm Bus Strat	13,100	0	0	0	Income targets not achievable - revisions to 19/20 baseline
Bus, Corp Gov	7,000	0	0	0	Income targets not achievable - revisions to 19/20 baseline
Bus, Corp Gov	39,400	0	0	0	Re-instatment of Learning and Development Manager post
Bus, Corp Gov	22,500	0	0	0	Recurrent costs of new system developments for finance system (£20k) and project management office MO system costs(£2.5k)
Comm Property	83,600	0	0	0	Revision of realisable service charges due from Waterside South
Comm Property	44,000	0	0	0	Increased staffing costs to support service provision within Commercial property
Comm Property	40,000	0	0	0	Increased consultancy charges following staffing review (offset by savings realised)
Comm Property	26,500	25,000	0	0	Maintenance of the new Exchange North £25k for H&S + £25k for Sinking Fund Contribution + £1,500 for Artwork Maintenance)
Comm Property		11,400	0	0	Planned cost for 'Changing Places' Toilet - Annual Maintenance Charge
Comm Property	9,000	0	0	0	Annual fee for new Asset Management System
Comm Property	10,000	0	0	0	Income targets not achievable - revisions to 19/20 baseline
Comm Property	250,000	0	0	0	Rent Review at Waterside Properties given current market conditions
Comm Fulfillment	7,000	0	0	0	Additional marketing costs for Vale Lottery
Comm Fulfillment	14,000	0	0	0	Comms & Marketing: allocation of Budget to support corporate website
Comm Fulfillment	17,000	0	0	0	Comms & Marketing: allocation of Budget to support intranet capability
Comm Fulfillment	12,000	0	0	0	Allocation of budget for Modern.Gov annual fee for Democratic Services
Comm Fulfillment	5,000	0	0	0	Income targets not achievable - revisions to 19/20 baseline
Comm Fulfillment	50,000	0	0	0	Additional staffing capacity for Strategy partnership team and additional community safety post following staff review
Business Strategy & Support	30,000	0	0	0	Additional Health & Safety Resource at Pembroke following risk assessment
Customer Fulfilment	50,000	0	0	0	Customer Relationship - Benefits Structure Review following Commercial Programme
Customer Fulfilment	130,000	0	0	0	Additional staffing for planning team to meet on-going service requirements and demands, as per 18/19 outturn
Customer Fulfilment	200,000	0	0	0	Increased Licencing & Hosting Costs Across AVDC, supporting Salesforce implementation
Digital & Transformation	80,000	0	0	0	IT Structure Review following Commercial Programme - Required To Meet Service Requirements
Digital & Transformation	25,000	0	0	0	Systems Administration Structure Review - Required To Meet Service Requirements
Waste Services	95,000	0	0	0	Management Structure Review To Meet On-going Service Requirements
Customer Fulfilment	6,500	0	0	0	Increased planned property maintenance costs in line with contractual agreements
Comm Property	14,300	0	0	0	Increased planned property maintenance costs in line with contractual agreements
Total	1,480,900	36,400	0	0	

Fees and Charges 2019-20 **APPENDIX E**

Democratic Services	**2017/18**	**2018/19**	**2019/20**
DVD of Webcasting Council Meetings	£85.00	£85.00	£85.00
Electoral Registration	**2017/18**	**2018/19**	**2019/20**
Sale of Full Register and the Notices of Alteration			
• in data format, plus £1.50 for each 1,000 entries (or remaining part of 1,000 entries) in it • in printed format, plus £5 for each 1,000 entries (or remaining part of 1,000 entries) in it	£20.00 £10.00	£20.00 £10.00	£20.00 £10.00
For sale of the list of overseas electors: • in data format, plus £1.50 for each 100 entries (or remaining part of 100 entries) in it • in printed format,plus £5 for each 100 entries (or remaining part of 100 entries) in it	£20.00 £10.00	£20.00 £10.00	£20.00 £10.00
Certain individuals/parties may purchase the **marked register** following an election • plus £2 for printed and £1 for data versions per 1,000 entries.	£10.00	£10.00	£10.00
Leisure	**2017/18**	**2018/19**	**2019/20**
Pitches / All Weather Pitches			
All Weather Pitch – Bedgrove – This facility has now closed			
Football Seniors Large Court	£20.00	N/A	N/A
Football Juniors Large Court	£11.50	N/A	N/A
Floodlights - Large Court	£8.00	N/A	N/A
Floodlights - Netball Court	£4.50	N/A	N/A
Netball - Senior per court	£12.50	N/A	N/A
Netball - Junior per court	£5.80	N/A	N/A
Junior Netball League- Season	£620.00	N/A	N/A
All Weather Pitch - MEADOWCROFT			
Peak Time-1/3rd area per hour	£25.00	£26.00	£27.00
Peak Time-2/3rd area per hour	£50.00	£52.00	£54.00
Peak Time-full area per hour	£75.00	£78.00	£81.00
Off peak time-1/3rd area per hour	£19.00	£20.00	£20.00
Off peak time-2/3rd area per hour	£38.00	£39.00	£41.00
Off peak time-full area per hour	£56.00	£58.00	£60.00
Flood lights-1/3rd area per hour	£12.50	£13.00	£13.00
Flood lights-2/3rd area per hour	£18.90	£20.00	£20.00
Flood lights-full area per hour	£31.00	£32.00	£33.00
Football Pitches Grass			
Adult pitch - per match at Fairford Leys	£83.50	N/A	N/A
Adult pitch - per match at all other venues (includes Fairford Leys from 2018/19)	£77.00	£80.00	£83.00
Juniors aged 14 to 17 years inclusive, playing on an adult pitch - per match at Fairford Leys	£58.00	N/A	N/A
Juniors aged 14 to 17 years inclusive, playing on an adult pitch - per match at all other venues (includes Fairford Leys from 2018/19)	£54.00	£56.00	£58.00
Juniors aged 13 years and under, playing on a junior pitch - per match at Fairford Leys	£49.50	N/A	N/A

Juniors aged 13 years and under, playing on a junior pitch - per match at all other venues (includes Fairford Leys from 2018/19)	£47.00	£49.00	£51.00
Mini-Soccer pitch - used by 10 year olds and under - per hour	£11.50	£12.00	£12.00
Off-pitch - space adjacent to pitches and changing room facilities.	£40.00	£42.00	£43.00
Cricket Square			
Adult-afternoon-per match (14:00 - 19:00)	£92.00	£96.00	£99.00
Insurance			
Insurance for any pitch hire	£2.50	£3.00	£3.50
Community Centres			
Alfred Rose Park, Bedgrove Park, Hawkslade Farm, Prebendal Farm and Southcourt			
All Community Bookings include Churches, Car Boots, Bazaars and Bank Holidays			
Monday to Friday			
8.00 - 13.00	£30.00	£30.50	£31.00
13.30 - 17.15	£30.00	£30.50	£31.00
17.45 - Close	£48.00	£48.00	£48.00
Saturday and Sunday			
8.00 - 13.00	£33.50	£34.50	£35.00
13.30 - 17.15	£33.50	£34.50	£35.00
17.45 - Close	£62.00	£63.00	£65.00
Private and commercial events include adult and children's parties and bank holidays			
Monday to Thursday			
8.00 - 13.00	£67.00	£70.00	£71.00
13.30 - 17.15	£67.00	£70.00	£71.00
17.45 - Close	£145.00	£145.00	£145.00
Friday Saturday and Sunday			
8.00 - 13.00	£65.00	£70.00	£71.00
13.30 - 17.15	£65.00	£70.00	£71.00
17.45 - Close (Friday and Saturday)	£185.00	£185.00	£185.00
17.45 - Close (Sunday Only)	£145.00	£145.00	£185.00
Committee Room at Alfred Rose			
Monday to Friday			
8.00 - 13.00	£22.50	£22.50	£22.50
13.30 - 17.15	£22.50	£22.50	£22.50
17.45 - Close	£31.50	£31.50	£31.50
Saturday and Sunday			
8.00 - 13.00	£22.50	£22.50	£22.50
13.30 - 17.15	£22.50	£22.50	£22.50
17.45 - Close	£44.50	£44.50	£44.50
Committee Room at Alfred Rose (parties) – from 2018/19 charges as per above			
Monday to Thursday			
8.00 - 13.00	£29.00	N/A	N/A
13.30 - 17.15	£29.00	N/A	N/A
17.45 – Close	£68.50	N/A	N/A
Friday, Saturday and Sunday			

8.00 - 13.00	£29.00	N/A	N/A
13.30 - 17.15	£39.00	N/A	N/A
17.45 - 23.30 (Friday and Saturday)	£68.50	N/A	N/A
17.45 - 22.30 (Sunday Only)	£58.00	N/A	N/A
Bank Holidays - as rates above other than New Years Eve			
New Years Eve	£280.00	£285.00	£285.00
Adhoc Prices			
2 Hour Mon - Fri 9.00-17.30 promotional rate	£20.00	£20.00	£21.00
2 Hour Mon – Fri early evening promotional rate	N/A	£31.00	£31.50
Alfred Rose Committee Room. (If Main Hall is booked, hire committee room for just an additional £10.00 per session)	£10.00	£10.00	£10.00
New early evening finish party rate	N/A	N/A	£115.00
Public Liability Insurance for voluntary groups, individuals and private parties	£8.00	£8.00	£8.00
Play Services (VAT exempt) – This facility has now closed			
Holiday Playscheme - 8.00 - 6.30	£30.00	N/A	N/A
Holiday Playscheme - 8.30 - 3.30	£22.50	N/A	N/A
Holiday Playscheme - 8.00 - 12.30	£16.00	N/A	N/A
Holiday Playscheme - 12.30 - 5.00	£16.00	N/A	N/A
After School Club - 3 - 6.00	£8.50	N/A	N/A
School Escort Service on Foot (daily charge)	£1.50	N/A	N/A
School Escort Service by Minibus (cost for 5 days)	£18.00	N/A	N/A
School Escort Service by Taxi (Buckingham Park)	£3.00	N/A	N/A
School Escort Service by Taxi (Elmhurst)	£2.00	N/A	N/A
Jonathan Page Play Centre - All Community Bookings - Main Hall			
Monday to Friday			
17.45 - Close	£45.00	N/A	N/A
Saturday, Sunday & Bank Holiday			
8.00 - 13.00	£40.00	N/A	N/A
13.30 - 17.15	£40.00	N/A	N/A
17.45 - Close	£70.00	N/A	N/A
Local Authority / Commercial Bookings - Main Hall			
Monday to Friday			
8.00 - 13.00	N/A	N/A	N/A
13.30 - 17.15	N/A	N/A	N/A
17.45 - Close	£130.00	N/A	N/A
Saturday, Sunday & Bank Holiday			
8.00 - 13.00	£65.00	N/A	N/A
13.30 - 17.15	£65.00	N/A	N/A
17.45 - Close	£150.00	N/A	N/A
All PRIVATE parties, not organised by companies, clubs where Public Liability insurance is not in place.	£7.00	N/A	N/A
Regular Activities			
Tuesday / Thursday Club	£6.00	£7.50	£7.50

Tuesday / Thursday Club – 10 week booking	N/A	N/A	£70.00
Doorways	£5.00	£5.75	£5.75
Energise Gold	£5.00	N/A	N/A
Ladies only swimming	N/A	£6.95	£7.15
Play Around the Parishes			
2 hour session	N/A	N/A	£432.00
2 hours with sports	N/A	N/A	£540.00
3 hour session	N/A	N/A	£468.00
3 hours with sports	N/A	N/A	£588.00
Family fun day 5 hours with sports	N/A	N/A	£948.00
Events on AVDC Land (See Notes below)	Per Week	Per Week	Per Week
Regular Activity i.e. Commercial Fitness trainer / personal trainer 1 or 2 sessions per week.	£10.00	£12.00	£12.00
Regular Activity - 3 or 4 sessions per week.	£18.00	£23.00	£23.00
Regular Activity - 5 or more sessions per week.	£24.00	£30.00	£30.00
	Per Day	Per Day	Per Day
Birthday party with only a small bouncy castle or small gazebo (for individuals looking to hire a park for a family party excluding 18th or 21st parties). This fee is not eligible for charity or public sector discount.	£30.00	£37.00	£38.00
Birthday party with a large bouncy castle, marquee or other equipment (for individuals looking to hire a park for a family party excluding 18th or 21st parties). This fee is not eligible for charity or public sector discount.	£60.00	£74.00	£75.50
Small event (i.e. expected attendance up to 300 people per day)	£240.00	£299.00	£306.00
Medium sized event (expected attendance of up to 999 per day)	£330.00	£412.00	£421.00
Fair or major ticketed event and also other events with expected attendance over 1000 per day.	£480.00	£599.00	£613.00
Get in/out days (for events which require the use of the land on days either side of the event day to set up and /or clear down)	£120.00	£150.00	£153.00
A discount may be applied for charitable "not for profit" events.			
Terms and conditions apply as per event booking agreement.			
A Free Park Hire for physical activity scheme is included to promote physical activity, which has specific eligibility criteria, applies to specific criteria and specific parks only. See scheme details for further information, terms and conditions.			
1. Terms and conditions apply to all event organisers.			
2. A discount may apply for registered charitable and not for profit community activities.			
3. The Council may require a refundable deposit to be paid in advance of an event as security. Any unused deposit will be refunded as soon as practicable following the event. However if the Council incurs costs and expenses arising from the event the deposit or a part thereof will be retained by the Council in payment or part payment of the amount owing. In the event of any shortfall between the deposit and the actual costs and expenses, the applicant will remain liable for payment of the balance on demand. Any additional costs or reinstatement costs including grounds maintenance, cleaning, litter picking or any other associated costs arising from the event which the Council incurs in the granting of this permission will be charged by the Council on an hourly rate for Officer time and any contractor costs will be passed to the event organiser e.g. clearance of litter after the event/reinstatement of land damaged as part of the event.			
4. Expected attendance numbers are included as a guideline to the size and extent of your event only. No refund will be provided if attendance numbers are lower than expected at your event. See events on AVDC land application pack for further details.			
5. Any event will be charged on a half day or whole day basis i.e. up to 12.00 is half day. There is no allowance for charging by the hour. Event organisers must therefore be off site by 12.00 or they will be charged the full day rate.			
6. Fees and deposit will be payable no later than 2 weeks before the event date. Once the event pack application has been completed and returned and signed off by AVDC officers, payment must be provided with the completed signed event agreement.			
7. If fees and deposit are not received by the deadline set, AVDC will not give permission for the event			

to proceed and access to the site will not be granted.			
Biodiversity and Trees	**2017/18**	**2018/19**	**2019/20**
Biodiversity Screening of Properties for Protected Species	£70.00	£74.00	£76.00
Specialist Tree Advice Relating to Planning	£70.00	£74.00	£76.00
Town Centre Management	**2017/18**	**2018/19**	**2019/20**
Letting of Space in the Town Centre to Commercial Promoters	£50.00-£100.00	£40.00-£110.00	£40.00-£110.00
Fee for Town Centre Partnership	£30.00-£3,000.00	£30.00-£3,000.00	£30.00-£3,000.00
Market Traders Pitch Fee (Depends upon day / trader)	£14.30-£35.70	£14.30-£35.70	£14.30-£35.70
Sponsorship	£100.00-£2,000.00	£100.00-£2,000.00	£100.00-£2,000.00
Pedlars at Christmas Events	£30.00	£30.00	£30.00
Funfair at Christmas Events	£1,200.00	£1,200.00	£1,200.00
Housing	**2017/18**	**2018/19**	**2019/20**
Advertising on Bucks Home Choice	£65.00	£69.00	£69.00
Advertising on Bucks Home Choice (Direct Access to System)	£52.00	£55.00	£55.00
Preferred Development Partners	£7,500.00	£7,500.00	£7500.00
Legal and Local Land Charges	**2017/18**	**2018/19**	**2019/20**
Full Official Search Fee	£112.90	£114.16	£139.20
LLC1 Form -			
Search in: the whole of the register	£24.10	£24.10	£30.00
Search in: any one part of the register	£2.50	£2.50	£3.00
Search in: additional parcel of land	£6.00	£6.00	£7.50
CON29R – Standard enquiries – One parcel of land only	£88.80	£90.06	£109.20
CON29R – Required enquiries – Additional parcels of land	£22.80	£22.80	£27.80
(Made up of LLC1 charge £7.50 and CON29R charge £20.30)			
CON29 – Optional enquiries			
- 4 Road proposals by private bodies	£0.00[1]	£0.00[1]	£0.00[1]
- 5 Advertisements	£7.20	£7.20	£8.80
- 6 Completion notices	£7.20	£7.20	£8.80
- 7 Parks & countryside	£9.60	£9.60	£11.70
- 8 Pipelines	£12.00	£12.00	£14.60
- 9 Houses in multiple occupation	£15.60	£15.60	£19.00
- 10 Noise abatement	£15.60	£15.60	£19.00
- 11 Urban development areas	£7.20	£7.20	£8.80
- 12 Enterprise zones, local development order & bids	£9.60	£9.60	£11.70
- 13 Inner urban improvement areas	£7.20	£7.20	£8.80
- 14 Simplified planning zones	£7.20	£7.20	£8.80
- 15 Land maintenance notices	£7.20	£7.20	£8.80
- 16 Mineral consultation and safeguarding areas	£12.00[2]	£12.24[2]	£12.24[2]
- 17 Hazardous substance consents	£7.20	£7.20	£8.80
- 18 Environmental & pollution notices	£15.60	£15.60	£19.00
- 19 Food safety notices	£15.60	£15.60	£19.00
- 20 Hedgerow notices	£7.20	£7.20	£8.80
- 21 Flood defence & land drainage consents	£12.00[2]	£12.24[2]	£12.24[2]
- 22 Common land & town or village green	£15.60[2]	£15.96[2]	£15.96[2]
[1] *Please note this Authority is unable to respond to enquiry 4. If the enquiry is requested a standard response reflecting this will be given.*			
[2] *The actual fee is subject to change to reflect any increase in search fees levied by the County Council*			
Planning Radius Enquiry	£7.20	£7.20	£8.80
Local Land Charges	**2017/18**	**2018/19**	**2019/20**

Registration of a charge in Part 11 of the register (light obstruction notices)	£67.00	£67.00	£67.00
Filing a definitive certificate of the Lands Tribunal under rule 10(3)	£2.50	£2.50	£2.50
Filing a judgment, order or application for the variation or cancellation of any entry in Part 11 of the register (light obstruction charges)	£7.00	£7.00	£7.00
Inspection of documents filed under rule 10 in respect of each parcel of land	£2.50	£2.50	£2.50
* Personal search in the whole or in part of the register in respect of one parcel of land	N/A	N/A	N/A
* In respect of each additional parcel, subject to a maximum of £16.00 (previously £13.00)	N/A	N/A	N/A
Official search (including issue of official certificate of search) in respect of one parcel of land:			
(a) in any one part of the register	£2.50	£2.50	£3.00
(b) in the whole of the register -			
(i) where the requisition is made by electronic means in accordance with rule 16; and	£24.10	£24.10	£30.00
(ii) in any other case	£24.10	£24.10	£30.33
(iii) in respect of each additional parcel of land	£6.00	£6.00	£7.50
Office copy of any entry in the register (not including a copy or extract of any plan or document filed pursuant to these Rules)	£0.40	£0.40	£0.50
Property and Contracts Section	**2017/18**	**2018/19**	**2019/20**
DS1 (Mortgage vacating) and DS3 (for part of land in a charge). Administration Fee.	£50.00	£50.00	£50.00
Deed of Rectification	£450.00	£450.00	£450.00
Deed of Release	£450.00	£450.00	£450.00
Notice of Assignment of Lease of Mortgage	£50.00	£50.00	£50.00
Open Space Deed	£850.00	£850.00	£850.00
Deed Concerning: Grant of Release, Assignment of Lease, Licence for change of use, Licence to Occupy, Wayleave, Access to realty, Easement and Deed of Variation.	£450.00	£450.00	£450.00
Sale of Land	£450.00	£450.00	£450.00
Planning	**2017/18**	**2018/19**	**2019/20**
Monitoring and Administering S.106 Agreements			
Pre-commencement Contribution, if below £40,000	£400.00	£400.00	£400.00
Pre-commencement Contribution, above £40,000	£600.00	£600.00	£600.00
Payment at later date, multiple payments or on-site provision of affordable housing	£600.00	£600.00	£600.00
Provision of on-site open space: • Not to be adopted • To be adopted (*) (*) if a bond is lodged, a bond fee is required.	Per acre £1,000.00 £2,500.00 £200.00	 £1,000.00 £2,500.00 £200.00	 £1,000.00 £2,500.00 £200.00
Pre-Application Advice – Householder & General Enquires			
Do I need planning permission? (including dropped curb)	£60.00	£64.00	£65.00
Will I get planning permission? – site visit	N/A	N/A	£130.00
Will I get planning permission? – desktop survey	£60.00	£64.00	£65.00
Do I need & Will I get permission	£90.00	£95.00	N/A
Planning History Check	£60.00	£64.00	£65.00
Validation Application			
Invalid Charge* - Planning application householder - Planning application – other	 £25.00 £50.00	 £26.00 £53.00	 £27.00 £54.00
Validity Check	£25.00	£26.00	£27.00
Invalid check LDO	£30.00	£32.00	£33.00

Invalid Charge * - where an application fails to meet requirement of our validation checklist and additional information is not received within the specified period the application will be disposed and charge levied.			
Pre-Application Advice – New Dwellings			
1 dwelling • written advice • office based meeting followed by written advice • subsequent meeting with follow up (additional charge)	 £204.00 £357.00 £357.00	 £212.00 £371.00 £371.00	 £218.00 £381.00 £381.00
2-4 dwellings • written advice • office based meeting followed by written advice • subsequent meeting with follow up (additional charge)	 £306.00 £459.00 £459.00	 £318.00 £477.00 £477.00	 £327.00 £490.00 £490.00
5-10 dwellings • written advice • office based meeting followed by written advice • subsequent meeting with follow up (additional charge)	 £408.00 £612.00 £612.00	 £424.00 £636.00 £636.00	 £435.00 £653.00 £653.00
11-24 dwellings • written advice • office based meeting followed by written advice • subsequent meeting with follow up (additional charge)	 £612.00 £816.00 £816.00	 £636.00 £848.00 £848.00	 £653.00 £871.00 £871.00
25-29 dwellings • written advice • office based meeting followed by written advice • subsequent meeting with follow up (additional charge)	 £816.00 £1,020.00 £1,020.00	 £848.00 £1,060.00 £1,060.00	 £871.00 £1,088.00 £1,088.00
30-39 dwellings • written advice • office based meeting followed by written advice • subsequent meeting with follow up (additional charge)	 £1,224.00 £1,428.00 £1,428.00	 £1,272.00 £1,484.00 £1,484.00	 £1,306.00 £1,524.00 £1,524.00
40-49 dwellings • written advice • office based meeting followed by written advice • subsequent meeting with follow up (additional charge)	 £1,530.00 £1,734.00 £1,734.00	 £1,590.00 £1,802.00 £1,802.00	 £1,633.00 £1,850.00 £1,850.00
Over 50 dwellings	Bespoke or PPA	Bespoke or PPA	Bespoke or PPA
Pre-Application Advice – Other Proposals			
0-100m^2 • written advice • office based meeting followed by written advice • subsequent meeting with follow up (additional charge)	 £61.00 £92.00 £61.00	 £64.00 £95.00 £64.00	 £65.00 £98,00 £65.00
101-500m^2 • written advice • office based meeting followed by written advice • subsequent meeting with follow up (additional charge)	 £306.00 £459.00 £459.00	 £318.00 £477.00 £477.00	 £327.00 £490.00 £490.00
501-1,000m^2 • written advice • office based meeting followed by written advice • subsequent meeting with follow up (additional charge)	 £408.00 £408.00 £612.00	 £424.00 £424.00 £636.00	 £435.00 £435.00 £653.00

	2017/18	2018/19	2019/20
1,000-1,999m^2 • written advice • office based meeting followed by written advice • subsequent meeting with follow up	 £408.00 £612.00 £612.00	 £424.00 £636.00 £636.00	 £435.00 £435.00 £653.00
Over 2,000m2	Bespoke or PPA	Bespoke or PPA	Bespoke or PPA
Listed Buildings Advice	**2017/18**	**2018/19**	**2019/20**
Pre purchase - Alterations – Extensions – Curtilage – Miscellaneous*			
LB1: Desk assessment based on information submitted			
• Initial request incl. first hour	£61.00	£64.00	£75.00
• Additional hour	£61.00	£64.00	£65.00
LB2: As LB1 plus meeting on site			
• Initial request incl. first hour	£184.00	£191.00	£196.00
• Additional hour	£61.00	£64.00	£65.00
LB3: As LB2 completed within 10 working days			
• Initial request incl. first hour	£306.00	£318.00	£327.00
• Additional hour	£61.00	£64.00	£65.00
Repairs			
LB4: Desk assessment based on information submitted			
• Initial request incl. first hour	N/A	N/A	£55.00
• Additional hour	N/A	N/A	£45.00
LB5: As LB4 plus meeting on site			
• Initial request incl. first hour	N/A	N/A	£150.00
• Additional hour	N/A	N/A	£45.00
LB6: As LB5, completed within 10 working days			
• Initial request incl. first hour	N/A	N/A	£200.00
• Additional hour	N/A	N/A	£45.00
Historic Buildings Pre Purchase Advice and Compliance Checking **See simplified schedule of charges for 2019/20 as above**			
Level 1 – Meeting on site with Historic Buildings Officer • Initial Request Fee (first hour of officer time) • Additional officer time	 £184.00 £61.00	 £191.00 £64.00	 N/A N/A
Level 2 – Urgent site meeting with Historic Buildings Officer (within maximum of 10 working days) • Initial Request Fee (first hour of officer time) • Additional officer time	 £306.00 £61.00	 £318.00 £64.00	 N/A N/A
Listed Buildings Repairs and Design Advice for Alterations and Extensions **See simplified schedule of charges for 2019/20 as above**			
Level 1 – Written advice only, based upon attached submitted material • Initial Request Fee (first hour of officer time) • Additional officer time	 £61.00 £61.00	 £64.00 £64.00	 N/A N/A
Level 2 – Meeting at the AVDC offices to discuss works with the Historic Buildings officer • Initial Request Fee (first hour of officer time) • Additional officer time	 £61.00 £61.00	 £64.00 £64.00	 N/A N/A
Level 3 – Site Meeting to discuss works with the Historic Buildings officer • Initial Request Fee (first hour of officer time) • Additional officer time	 £184.00 £61.00	 £191.00 £60.00	 N/A N/A
Level 4 – Urgent Site Meeting to discuss works with the Historic Buildings officer (within maximum of 10 working days) • Initial Request Fee (first hour of officer time) • Additional officer time	 £306.00 £61.00	 £318.00 £64.00	 N/A N/A

Biodiversity & Trees			
Screening visit to advise whether an ecological assessment required	£71.00	£74.00	£76.00
Specialist tree advice relating to planning	£71.00	£74.00	£76.00
Enhanced Copy Document Service Charges			
Pre Application/Appeal • First A3/A4 side • Each additional side up to a maximum of 30 sides • A0, A1 or A2 plan	 £14.00 £0.70 £19.00	 £15.00 £1.00 £20.00	 £15.00 £1.00 £21.00
Premium Service for fast track advice where appropriate	Bespoke	Bespoke	Bespoke
Parking Services	**2017/18**	**2018/19**	**2019/20**
Exchange St, Upper Hundreds, Waterside, Coopers Yard and Hale Street (1 hour max) 30 minutes (Exchange Street only) Up to 1 hour Up to 2 hours (Waterside Levels 1&2 only, max stay 2 hours) Up to 3 hours Up to 4 hours Up to 5 hours Up to 24 hours Hampden House, Whitehall Street, Friarscroft, Walton Green, Walton Street, Aqua Vale and Swan Pool Up to 2 hours (Aqua Vale and Swan Pool only) Up to 4 hours (Aqua Vale and Swan Pool only) Up to 5 hours (Whitehall St, Hampden House and Walton St) Up to 24 hours (Friarscroft and Walton Green) Up to 24 hours (Hampden House, Walton St and Whitehall St) Up to 24 hours (Aqua Vale and Swan Pool) Anchor Lane (Blue Badge Holders Only) Sunday and Public Holidays Evening Charge (Aylesbury car parks)	 £0.80 £1.50 £2.00 £2.50 £3.50 £5.00 £8.00 £2.00 £6.00 £2.50 £3.00 £4.00 £10.00 Free £1.50 N/A	 £0.80 £1.50 £2.00 £2.50 £3.50 £5.00 £8.00 £2.00 £6.00 £2.50 £3.00 £4.00 £10.00 Free £1.50 N/A	 £0.80 £1.50 £2.00 £2.50 £3.50 £5.00 £8.00 £2.00 £6.00 £2.50 £3.00 £4.00 £10.00 Free £1.50 N/A
Cornwalls Meadow, Wendover and Winslow Market Square. Up to 1 hour (Wendover and Winslow Market Square) Up to 2 hours (Winslow Market Square) Up to 2 hours (Wendover only) Up to 3 hours (Wendover only) Up to 4 hours Up to 5 hours Up to 24 hours (Cornwalls Meadow) Up to 24 hours (Wendover) Western Avenue, Stratford Fields and Greyhound Lane	 Free £0.20 £0.50 £0.70 £1.00 £1.50 £2.50 £4.00 Free	 Free £0.20 £0.50 £0.70 £1.00 £1.50 £2.50 £4.00 Free	 Free £0.20 £0.50 £0.70 £1.00 £1.50 £2.50 £4.00 Free
Annual Permits • Exchange Street, Upper Hundreds and Waterside Level 3 • Coopers Yards and Whitehall Street • Hampden House • Walton Street, Friarscroft and Walton Green	 £1.400.00 £900.00 £700.00 £800.00	 £1.400.00 £900.00 £700.00 £800.00	 £1.400.00 £900.00 £700.00 £800.00
Equipment Hire per day • Wheelchair • Scooter	 £3.00 £5.00	 £3.50 £5.50	 £3.50 £5.50

ENVIRONMENT AND HEALTH	2017/18	2018/19	2019/20
Dog Warden Fee Dog Warden Administration Costs	£25.00 £50.00	£25.00 £50.00	£25.00 £50.00
Enforcement Activity			
Environmental Information Requests (per hour)	£25.00	£25.00	£25.00
Food Health Export Certificates	£33.00	£34.00	£35.00
Food Health Export Certificates posted plus scanned copy	£37.00	£38.00	£39.00
Food Health Export Certificates – Witnessed	£85.00	£88.00	£90.00
Acupuncture Licence	£148.00	£154.00	£158.00
Electrolysis Licence	£148.00	£154.00	£158.00
Piercing Licence	£148.00	£154.00	£158.00
Tattooing Licence	£148.00	£154.00	£158.00
Variation or change of name on licence	£26.00	£28.00	£28.00
Smoking in the workplace or work vehicle (£25.00 if paid in 15 days)	£50.00	£50.00	£50.00
Failure to display no smoking signs (£150.00 if paid in 15 days)	£200.00	£200.00	£200.00
Penalty for failure to comply with notice under the Smoke Alarm and Carbon Monoxide (England) Regulation 2014	£5,000.00	£5,000.00	£5,000.00
Public Heath			
Dog Fouling Fixed Penalty Notice	£50.00	£50.00	£50.00
Provision of No Fouling Signage to Parishes (adhesive) (10 signs)	£8.00	£8.00	£8.00
Provision of No Fouling Signage to Parishes (metal)	£7.00	£7.00	£7.00
Water Sampling – Check monitoring for one location and risk assessment	£240.00	£249.00	£256.00
Water Sampling – Check monitoring for one location	£159.00	£165.00	£170.00
Water Sampling – Each additional location	£46.00	£48.00	£49.00
Water Sampling – Audit monitoring only up to	£500.00	£500.00	£500.00
Water Sampling – Risk assessment only – no water sampling	£135.00	£140.00	£144.00
Premises Licensing			
Personal Licence Application	£37.00	£37.00	£37.00
Copy Personal Licence	£10.50	£10.50	£10.50
Change of name or address notification for Personal Licence	£10.50	£10.50	£10.50
Premises / Club Premises Licence new application	R.V.	R.V.	R.V.
Premises Licence annual fee including club premises	R.V.	R.V.	R.V.
Application for a copy of premises licence or summary on theft, loss	£10.50	£10.50	£10.50
Change of name or address notification for Premises Licence	£10.50	£10.50	£10.50
Application to vary specified individual as premises supervisor	£23.00	£23.00	£23.00
Application to Transfer a Premises Licence	£23.00	£23.00	£23.00
Interim Authority Licence	£23.00	£23.00	£23.00
Club Premise – Application for a provisional statement	£315.00	£315.00	£315.00
Temporary Event Notice	£21.00	£21.00	£21.00
Miscellaneous Licensing			
Hiring of Horses (up to 10 horses) (plus vet fees)	N/A	N/A	£355.00
Hiring of Horses (up to 10 horses) as additional activity (plus vet fees)	N/A	N/A	£230.00
Hiring of Horses (10-20 horses) (plus vet fees)	N/A	N/A	£400.00
Hiring of Horses (10-20 horses) as additional activity (plus vet fees)	N/A	N/A	£272.00
Hiring of Horses (over 20 horses) (plus vet fees)	N/A	N/A	£442.00
Hiring of Horses (over 20 horses) as additional activity (plus vet fees)	N/A	N/A	£315.00
Hiring of Horses – additional horse admin fee	N/A	N/A	£15.00
Animal Boarding Establishment Licence Fee	N/A	N/A	£357.00
Animal Boarding Establishment Licence Fee (as additional activity)	N/A	N/A	£230.00
Home Boarding of Dogs	N/A	N/A	£290.00
Home Boarding Establishment (as additional activity)	N/A	N/A	£165.00
Breeding of Dogs Licence Fee (plus vet fees)	N/A	N/A	£335.00
Breeding of Dogs Licence Fee (as additional activity) (plus vet fees)	N/A	N/A	£208.00
Pet Shop Licence Fee	N/A	N/A	£357.00
Pet Shop Licence Fee (as additional activity)	N/A	N/A	£230.00
Keeping Training Animals for Exhibit	N/A	N/A	£227.00
Keeping Training Animals for Exhibit (as additional activity)	N/A	N/A	£163.00

Riding Establishment Licence Fee (fee plus £15.00 per horse/pony)	£270.00	£275.00	N/A
Animal Boarding Establishment Licence Fee (New)	£450.00	£486.00	N/A
Animal Boarding Establishment Licence Fee (Renewal)	£110.00	£119.00	N/A
Home Boarding Establishment (New)	£140.00	£152.00	N/A
Home Boarding Establishment (Renewal)	£100.00	£108.00	N/A
Breeding of Dogs Licence Fee (New)	£450.00	£486.00	N/A
Breeding of Dogs Licence Fee (Renewal)	£110.00	£119.00	N/A
Pet Shop Licence Fee (New)	£230.00	£249.00	N/A
Pet Shop Licence Fee (Renewal)	£125.00	£135.00	N/A
Dangerous Wild Animals New Licence Fee (2 years) (plus vet fee)	£385.00	£400.00	£410.00
Dangerous Wild Animals Licence Renewal Fee (2 years) (plus vet fee)	£245.00	£254.00	£261.00
Zoo Licence (New) (plus vet fee)	£624.00	£649.00	£666.00
Zoo Licence (Renewal) (plus vet fee)	£624.00	£649.00	£666.00
Administration Fee – replacement licence, change of address etc.	£25.00	£26.00	£27.00
Street Trading			
Consent Daytime	£6,775.00	£6,775.00	£6,775.00
Consent Evening	£4,246.00	£4,246.00	£4,246.00
Consent Wendover	£2,121.00	£2,121.00	£2,121.00
Kingsbury Pavement licence application fee	£600.00	£600.00	£616.00
Kingsbury Pavement licence application fee – annual renewal fee	£600.00	£600.00	£616.00
Sex Establishment licence (New/Variation/Transfer)	£2,020.00	£2,020.00	£2075.00
Non Contested Sex Establishment licence (Renewal)	£480.00	£480.00	£490.00
Contested Sex Establishment Renewal	£2,020.00	£2,020.00	£2,075.00
Gambling Act			
Premises licence – new application	£1,836.00	£1,908.00	£1,959.00
Premises licence – annual fee	£243.00	£252.00	£259.00
Premises licence – application to vary	£659.00	£685.00	£703.00
Premises licence – application to transfer	£637.00	£662.00	£680.00
Premises licence – application for re-instatement	£644.00	£669.00	£687.00
Premises licence – application for provisional statement	£1,836.00	£1,908.00	£1,959.00
Premises licence – application (provisional statement holders)	£644.00	£669.00	£687.00
Copy of Gaming Act licence	£15.50	£16.00	£17.00
Notification of change of circumstances	£26.00	£27.00	£28.00
Unlicensed family entertainment centre – new application or renewal	£300.00	£300.00	£300.00
Small Society Lottery – new application	£40.00	£40.00	£40.00
Small Society Lottery – annual renewal fee	£20.00	£20.00	£20.00
Club Gaming Permit – new application	£200.00	£200.00	£200.00
Club Gaming Permit – annual fee	£50.00	£50.00	£50.00
Club Gaming Permit – renewal fee	£200.00	£200.00	£200.00
Club Gaming Machine Permit (renewable after 10 years)	£200.00	£200.00	£200.00
Alcohol Licensed Premises Gaming Machine Notification (2 or less)	£50.00	£50.00	£50.00
Alcohol Licensed Premises Gaming Machine Notification Transfer(2 or less)	£25.00	£25.00	£25.00
Alcohol Licensed Premises Gaming Machine Notification (more than 2)	£150.00	£150.00	£150.00
Alcohol Licensed Premises Notification Annual Fee (more than 2)	£50.00	£50.00	£50.00
Alcohol Licensed Premises Notification Transfer Fee (more than 2)	£25.00	£25.00	£25.00
Prize Gaming Permit – new application	£300.00	£300.00	£300.00
Prize Gaming Permit – renewal	£300.00	£300.00	£300.00
Prize Gaming Permit – variation	£100.00	£100.00	£100.00
Administration Fee – replacement licence, change name etc.	£25.00	£25.00	£25.00
Miscellaneous fees – copy of permit	£15.00	£15.00	£15.00
Scrap Metal			
Scrap Metal site – new application (3 year licence)	£624.00	£649.00	£666.00
Scrap Metal site – renewal (3 year renewal)	£364.00	£378.00	£389.00
Scrap Metal Collectors – new application (3 year licence)	£322.00	£335.00	£344.00
Scrap Metal Collectors – renewal (3 year licence)	£119.00	£124.00	£127.00
Variation of licence type i.e. change from site to collector	£151.00	£157.00	£161.00

Variation of licence i.e. name, site address, named site managers	£65.00	£68.00	£70.00
Reprint of licence	£37.00	£38.00	£39.00
Vehicle window cards	£62.00	£65.00	£66.00
Application assistance	£78.00	£81.00	£83.00
HMO Licensing			
Mandatory licence fee – application	£572.00	£595.00	£595.00
Mandatory licence fee – assistance with application (per hour)	£52.00	£54.00	£54.00
Mandatory licence fee – application administration fee (per 30 minutes)	£10.50	£11.00	£11.00
Additional S527 licence fee – application	£572.00	£595.00	£595.00
Additional S527 licence fee – application (Year 2 to 5 of scheme)	£572.00	£595.00	£595.00
Additional S527 licence fee – assistance with application (per hour)	£52.00	£54.00	£56.00
Additional licence fee – application administration fee (per 30 minutes)	£10.50	£11.00	£11.00
Discount for Accredited Landlords	N/A	N/A	£80.00
Discount for HMOs where the Energy Performance Certificate (EPC) is graded A-C	N/A	N/A	£30.00
Discount for new HMOs, where a valid application is submitted without officer intervention and within 3 months of occupation of an HMO	N/A	N/A	30%
Discount for a HMO Licence renewal application prior to expiry of existing licence	N/A	N/A	30%
LAPPC (Local Authority Pollution Prevention and Control)			
Application fee – standard process (includes solvent emission)	£1,650.00	£1,650.00	£1,650.00
Additional fee for operating without a permit	£1,188.00	£1,188.00	£1,188.00
PVR I, SWOBS and dry cleaners	£155.00	£155.00	£155.00
PVR I & II combined	£257.00	£257.00	£257.00
VRs and other reduced fee activities	£362.00	£362.00	£362.00
Reduced fee activities – additional fee for operating without a permit	£71.00	£71.00	£71.00
Mobile plant	£1,650.00	£1,650.00	£1,650.00
Mobile plant for the third to seventh applications	£985.00	£985.00	£985.00
Mobile plant for the eighth and subsequent applications	£498.00	£498.00	£498.00
If application is for a combined part B and waste application add extra	£310.00	£310.00	£310.00
Annual Subsistence – standard process low	£772.00 (+£104.00)*	£772.00 (+£104.00)*	£772.00 (+£104.00)*
Annual Subsistence – standard process medium	£1,161.00 (+156.00)*	£1,161.00 (+156.00)*	£1,161.00 (+156.00)*
Annual Subsistence – standard process high	£1,747.00 (+£207.00)*	£1,747.00 (+£207.00)*	£1,747.00 (+£207.00)*
Annual Subsistence – PVR I, SWOBS and Dry Cleaners Low	£79.00	£79.00	£79.00
Annual Subsistence – PVR I, SWOBS and Dry Cleaners Medium	£158.00	£158.00	£158.00
Annual Subsistence – PVR I, SWOBS and Dry Cleaners High	£237.00	£237.00	£237.00
Annual Subsistence – PVR I & II combined Low	£113.00	£113.00	£113.00
Annual Subsistence – PVR I & II combined Medium	£226.00	£226.00	£226.00
Annual Subsistence – PVR I & II combined High	£341.00	£341.00	£341.00
Annual Subsistence – VRs and other reduced fees Low	£228.00	£228.00	£228.00
Annual Subsistence – VRs and other reduced fees Medium	£365.00	£365.00	£365.00
Annual Subsistence – VRs and other reduced fees High	£548.00	£548.00	£548.00
Annual Subsistence – Mobile plant for first and second permits Low	£626.00	£626.00	£626.00
Annual Subsistence – Mobile plant for first and second permits Medium	£1,034.00	£1,034.00	£1,034.00
Annual Subsistence – Mobile plant for first and second permits High	£1,551.00	£1,551.00	£1,551.00
Annual Subsistence – Mobile plant for third to seventh permits Low	£385.00	£385.00	£385.00
Annual Subsistence – Mobile plant for third to seventh permits Medium	£617.00	£617.00	£617.00
Annual Subsistence – Mobile plant for third to seventh permits High	£924.00	£924.00	£924.00
Annual Subsistence – Mobile plant for eighth &subsequent permits Low	£198.00	£198.00	£198.00
Annual Subsistence – Mobile plant for eighth &subsequent permits Med	£316.00	£316.00	£316.00
Annual Subsistence – Mobile plant for eighth &subsequent permits High	£473.00	£473.00	£473.00
*the additional amounts in brackets must be charged where a permit is for a combination Part B and waste installation			
Late payment fee	£52.00	£52.00	£52.00

Transfer and Surrender – Standard process	£169.00	£169.00	£169.00
Transfer and Surrender – Standard process partial transfer	£497.00	£497.00	£497.00
New operator at low risk fee activity	£78.00	£78.00	£78.00
Reduced fee activities – partial transfer	£47.00	£47.00	£47.00
Temporary transfer – first transfer	£53.00	£53.00	£53.00
Temporary transfer – repeat following enforcement or warning	£53.00	£53.00	£53.00
Substantial change – standard process	£1,050.00	£1,050.00	£1,050.00
Substantial change – where change results in a new PPC activity	£1,650.00	£1,650.00	£1,650.00
Substantial change – reduced fees activities	£102.00	£102.00	£102.00
Contract Services	**2017/18**	**2018/19**	**2019/20**
Garden Waste			
Garden Waste	£40.00	£45.00	£45.00
Garden Waste administration fee for non direct debit payers	£0.00	£0.00	£0.00
Street Bins			
Dog Bin and Installation	£374.00	£380.00	£315.00
Dog Bin Relocation	£126.00	£130.00	£130.00
Dog Bin Empty – from 2018/19 annual charge, prior years per empty			
- 52 empties	£1.38	£61.50	£63.50
- 78 empties	£1.33	£88.00	£91.00
- 104 empties	£1.30	£115.00	£119.00
Litter Bins	£61.00	£63.00	£118.00
Waste Container Charges			
Full set (new home – including kitchen caddy & bags)	£120.00	£120.00	£120.00
Replacement food caddy	£10.00	£10.00	£10.00
Replacement refuse bin	£30.00	£30.00	£30.00
Replacement recycling bin	£10.00	£10.00	£10.00
Other			
Bulky Waste Collection - minimum charge for up to three items	£75.00	£75.00	£75.00
Bulky Waste Collection – charge for each additional item to a maximum of 8 items	£5.00	£5.00	£5.00
Removal of waste from private land (including managing agents requests)	£150.00	£155.00	£155.00
Waste Sacks (50 sacks)	£90.00	£95.00	£100.00
Recycling Sacks (100 sacks)	£85.00	£90.00	£95.00
MOT Licence (Taxi)	£50.00	£52.00	£52.00
MOT Licence (External)	£40.00	£44.00	£44.00
MOT Retest	£25.00	£26.00	£26.00
Street Naming and Numbering	**2017/18**	**2018/19**	**2019/20**
House name change	£60.00	£64.00	£64.00
Alias house name addition/change	£60.00	£64.00	£64.00
New dwelling(s) in existing street	£175.00	£185.00	£185.00
New dwelling(s) in a new street (charge per street)	£260.00	£276.00	£276.00
New dwelling in existing street (discounted for using out BC services)	£131.25	£139.00	£139.00
New dwelling(s) in a new street (charge per street) (discounted for using our BC services	£195.00	£207.00	£207.00
Rename of a street when requested by residents	£340.00	£360.00	£360.00
Rename of a street – charge per property	£32.00	£34.00	£34.00

Connected Knowledge

Technology Strategy 2017-2022 Delivery

Phase 3 Investment Proposal

Version: Final

Date: Nov 2018

Authors: Maryvonne Hassall

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1.0 Purpose

The purpose of this document is to present the investment proposal for Phase 3 for the delivery of Connected Knowledge (CK) strategy starting in April 2019. The full Connected Knowledge Technology Strategy 2017-2022 was agreed at the Feb 2017 Council meeting, Phase 1 funding was agreed in May 2017 and Phase 2 funding was agreed in January 2018. It is still proposed that the implementation of the strategy continues in a phased manner which will give the opportunity for the inevitable learning from the early phases.

We are keen to progress our innovative and efficient ways of working and that we keep building on the platform that we have implemented to date to ensure that our technologic advances are considered for the new local authority.

In line with the original recommendation that a further set of funding would be required this paper sets out the information to support a decision to approve the funding for the next phase based on presentation of both the costs and expected benefits to be achieved. We have included a review of the Connected Knowledge Programme to date in a separate report, Connected Knowledge – A Look Back.

2.0 Recommendations

1. That the investment of £1.48M is approved and funded so that work can continue on delivering a leading edge, forward thinking platform to enable AVDC to develop customer first processes and a streamlined internal operation.

3.0 Executive Summary

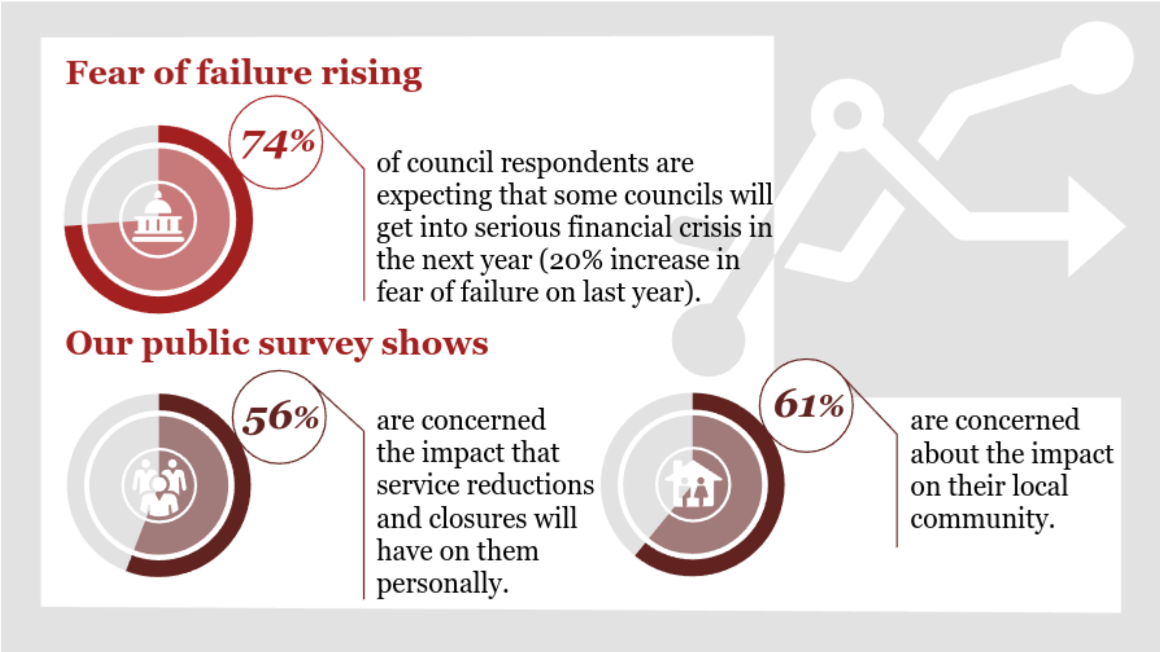
The programme (and strategy) has built on initial set of projects, so far delivering 46 projects, with 27 in flight and a further set in the planning stages. Please see 'Connected Knowledge – A Look Back' document for all details around projects and how they have been delivered to date.

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

AVDC continues to have a high profile as regards to digital delivery and cultural change. This has led to an increase in Council to Council commercial activity.

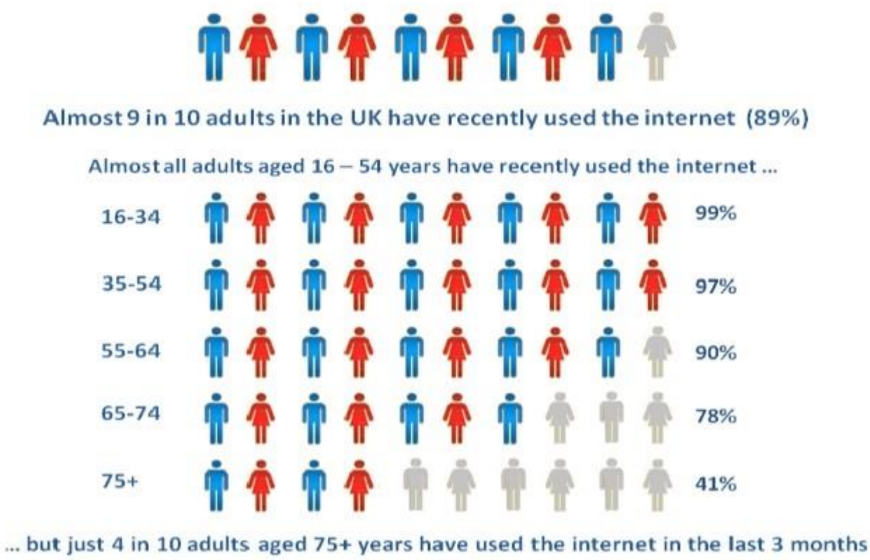
The local state we're in
PwC's annual local
government survey 2018

The financial pressure for change continues with the PWC State of Local Government report June 2018 showing that councils are still concerned about their ability to make financial savings in the next 5 years. We need to continue to make changes to be able to address this and to keep AVDC financially secure and effectively delivering services to our customers.



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

Figure 1: Recent internet users by age group, UK, 2017



Source: Office for National Statistics

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

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

5.5 Connected Knowledge (CK) Programme - Phase 3

Phase 3 of the Connected Knowledge Programme has been designed to build on the foundations that we have put in place in Phases 1 and 2. All projects proposed within Phase 3 are a continuation of work that we have already done.

5.5.1 Projects and Financials

This phase will be funded in the large part by a proposed use of New Homes Bonus.

The summary revenue savings and costs are built in to the Budget Planning report for 2019/20. The investment continues to drive much of the commercial and efficient ways of working, as well as a much improved customer experience which the authority strives to achieve. It also enables the Authority to deliver a significant element of the proposed savings putting us in a better financial position for the changes ahead. Some savings are directly attributable, but others indirectly result from the Connected Knowledge programme and are harder to quantify.

The overaching figure of £1.48M and epxected benefits have been attributed to the projects as follows:

Project Name	Project Description	Reason for doing the project/Expected Benefits	Example	Budget
Innovation Items/Ideas	Ideas/projects generated from staff and members. These will go through an Innovation Process recently introduced.	The project reinforces our 'Innovation and Adapting to Change' behaviour for staff. It encourages staff to put forward innovative ideas in their areas and be actively involved in seeing through the implementation of the project which in turn empowers them and potentially broadens their skillset	Chromecasts in meeting rooms have enabled us to connect any device to big screens saving time and money on cables. This was a low-cost project and a staff idea enabling them to be actively involved in delivering the project.	£100K
Integrated Social Care/Council (Phase 1)	Building the foundations of a more integrated approach to delivering services to our residents by working with partnerships like the CCG, Bucks CC, doctors etc.	Improved customer experience by having a joined-up approach to delivering to our customer. Reduction in duplication of work resulting in efficiencies. Moves us towards a more collaborative delivery model ahead of unitary	We could hook our single customer record into the single customer record that the CCG are creating in partnership with Bucks CC and doctors to include benefits and housing information which would give a fuller picture of the customer and their circumstances	£150K
Further	Improving	A more integrated	Customers being able to	£150K

Improvements to Finance Processes	finance processes across AVDC and implementing self-service for them.	approach to all customer financial transactions across AVDC. Customers can better manage their finances with AVDC through their My Account. Improving the speed of processing to the customer. Improved governance and control.	manage their direct debits online (such as garden waste) – cancel or amend dates/account details.	
Connected Working/ Space Review and New Devices	Changing the way we use the space that we have and replacing end of life devices with new devices for staff	Improve staff flexibility in the way they are able to work and maximise income generation from space. More flexible devices for staff which are a better fit for the job that they do. Improved security as a result of reduced paper. Productivity gains across the workforce could be experienced. East Riding council experienced a 20% uplift in productivity as a result of introducing flexible working. Environmental benefits as a result of less staff commuting	Giving the planners the right type of tablet/equipment so that they can view all the information they require online out in the field and upload notes and documents whilst on visits rather than typing up when they come back to the office.	£85K
Further Improvements to My Account and My Business Account	Improving the look and feel and increasing the transactions in My Account and My Business Account. For example including Elec Reg	Delivering the best possible digital experience 24/7 for our customer enabling them to access more self-service transactions. Increasing efficiencies in processing. Expected to save £50K PA from 2020.	Electoral Registration could be viewable in My Account so you can see if/where you are registered and amend registration or apply to register online.	£175K
Improvements to Salesforce Processes and Predictive Analytics	Ensuring we are best utilising the platform which we have invested in. Using the data we have to enable upfront predictions of	Improving the service we deliver to customer and delivering more efficient processes. Reduction of postage costs. Joining up data fully so that we can provide support to customers at the earliest	Improvements to processes: Building further automation in our licensing processes so that the customer is automatically emailed when something changes in the processing of their application.	£100K

	customer behaviour	opportunity and reduce fraud and error. Expected to save £50K PA from 2020.	Predictive analytics: to highlight to Housing when someone is getting into arrears with payments in other services to offer support to the customer early and potentially prevent homelessness.	
Patch Management Automation	Automating Patch Management of equipment within IT	Improved processes to enable efficiencies. Better security as tasks will be automatically completed. Reduced risk of outage due to security breaches	N/A	£10K
Moving Active Directory to Okta	Active Directory manages staff access to systems	Reduction in costs as a result of AD system switch-off. Move further on our journey to the cloud. Improved security and more efficient processes	Efficiencies in the Starters and Leavers process so that access to all systems (based on officer profile) is granted or removed with the click of a button.	£45K
Improvements to CASB	CASB will be implemented as part of phase 2 and is software that manages access to and usage of systems	Improvements to security particularly for flexible working. Improved management information. Quicker and easier to manage security policies across multiple application including data loss prevention and improved privacy of data	N/A	£30K
Office 365 Implementation	To fully rollout Office 365 for emails to the whole organisation	Enables flexible working and moves emails into the cloud to help move away from Citrix. Remove PSN vulnerability.	N/A	£20K
Shut Down Desktops/Move more applications to cloud	We still have applications which are not in the cloud. By moving these applications, we are enables to shut down our Cirtix environment and be fully cloud based.	Enables flexible working and improved resilience of IT systems. Remove PSN/PCI vulnerabilities. Easier for IT to support. Improved disaster recovery capability. A flexible workforce ensures service levels can be maintained in the event of a disaster scenario where	Switching off systems that are not cloud based and we do not need or replacing systems like Paygate (used to submit files to the bank) with a cloud alternative.	£60K

		employees cannot use, or attend, AVDC officer. Expected to save £25K PA.		
Decommission Citrix and Remove Thin Clients	Moves us to being fully cloud based and old thin clients to be changed to more flexible devices for staff. Dependency on Shut Down Desktops/Move Applications to Cloud	Enabler to Flexible working and improved resilience of IT systems. Reduction of operational IT costs: licences, system retirement, desk phones, amazon web services, general maintenance	N/A	£55K
Total for Projects				**£980K**
Total for Resourcing				**£500K**
Total for Phase 3 Programme				**£1.48 M**

Delivery of this programme will maintain AVDCs position as an innovative leader within local government. Forecast benefits for commercial opportunities arising from our digital success:

- Consultancy sales for workshops and support for the Arcus Software. £75K forecast for 2019/20

- Commission income from our partners through providing proven business model references. £7K forecast for 2019/20

- Income for speaker requests. £2K forecast for 2019/2020

5.5.4 Timescales for Phase 3

Key Milestones [indicative timescales]

Dec 2018 – Scrutiny and Cabinet

Jan 2019 – Council (as part of budget)

Feb 2019 - Detailed planning work

Mar 2019 – Mobilisation of team

April 2019 – Phase 3 commences

Finance & Services Scrutiny Committee
14 January 2019

CAPITAL PROGRAMME UPDATE 2019/20 TO 2022/23

1 Purpose

1.1 Cabinet received a report (attached as an appendix) on 18 December 2018, giving an update on the capital programme for the current year and setting out a revised programme for 2019/20 onwards.

1.2 The Cabinet report made reference to an additional request for funding from the Aylesbury Vale Enterprise Zone Board for an investment proposal at Westcott. Additional information has now been received in respect of this scheme and the business case presented to the Enterprise Zone Board is summarised below seeking AVDC funding for the scheme.

1.3 The Scrutiny Committee is asked to review the report presented to Cabinet and the Enterprise Zone funding request for the Westcott and indicate any comments / feedback that it wishes Cabinet to taken into account in recommending to full Council to approve the updated Capital Programme for 2019/20 onwards.

1.4 Scrutiny's comments will be reported to the Cabinet meeting on 16 January, 2019, with Cabinet's recommendations for the updated Capital Programme then submitted to the full Council meeting on 6 February 2019.

2 Recommendations/for decision

2.1 The Scrutiny Committee is requested to indicate any comments it has on the updated Capital Programme that it wishes Cabinet to take into account in updating the Capital Programme for 2019/20 onwards.

3 Executive summary

3.1 The Capital Programme report to Cabinet on 18 December 2018 provided an update on the capital programme for the current year and detailed the revised programme for 2019/20 onwards. Cabinet approved the updated Capital Programme for review by the Finance and Services Scrutiny Committee, as required under policy framework requirements.

3.2 In this report reference was made to an expected application from the Aylesbury Vale Enterprise Zone Board for funding for a scheme at Westcott. As the Accountable Body for the Enterprise Zone, any request for funding has to be made to Aylesbury Vale and, if approved, provision will need to be in the Capital Programme. The information has now been received and is summarised below seeking funding of £1.2 million to be repaid through a combination of loan repayment and recoupment from Business Rates collected and retained from the Enterprise Zone.

3.3 The Scrutiny Committee is requested to indicate any comments it has on the updated Capital Programme that it wishes Cabinet to take into account in recommending to full Council to approve an updated Capital Programme for 2019/20 onwards. A report on the Capital Programme for 2019/20 onwards will be reported to the Council meeting on 6 February 2019.

3.4 Westcott Enterprise Zone – Space Catapult Innovation Centre

3.5 The Enterprise Zone status awarded to Aylesbury Vale allows all business rates collected within the Zones to be retained by the local authority and used for investment in infrastructure and other economic development initiatives for a period of 20 years.

3.6 The bid to Government for Enterprise Zone status in Aylesbury Vale included the proposed delivery business plan, which set out proposed funding priorities. The investment at Westcott was one of these.

3.7 Two key facilities have recently opened within the emerging 'Space Cluster' at Westcott EZ (5G Step Out Centre and Business Incubation Centre). These are both operated by the Satellite Applications Catapult (SAC).

3.8 The SAC is one of 9 'Catapults' set up nationally by BEIS and funded by Innovate UK. The SAC is a not-for-profit company whose primary objective is to promote, develop and facilitate the commercialisation and advancement of the satellite applications industry.

3.9 The SAC's Space Cluster facilities at Westcott offer start-up businesses in the rocket propulsion, 5G, satellite and other space related sectors opportunities to utilise specialised equipment that would otherwise not be affordable / available, take advantage of free supported workspace, and obtain expert business and technical support.

3.10 The third element of the SAC's strategy for the Westcott Space Cluster is the provision within the next 12 – 18 months of an Innovation Centre to provide accommodation for start–up businesses emerging through the 5G / BIC facilities, from elsewhere at Westcott, or from other outside companies where location within the Westcott Space Cluster would be beneficial.

3.11 The original proposal for the Innovation Centre is supported by Bucks Thames Valley LEP (BTVLEP) with the award of £2m Local Growth Fund (LGF) funding (50% loan/50% grant). SAC and BTVLEP entered into an Agreement for the LGF funding in December 2017. Under the agreement the facility is due to be completed by December 2019. There is therefore pressure to progress the project as soon as possible to meet this timescale, but also to maximise the potential for the facility to rapidly provide accommodation to support emerging space industry related initiatives at Westcott and from elsewhere.

3.12 It has become apparent in recent months that significant changes are occurring in the space industry nationally, including the focus on producing smaller / lower cost satellites. This, coupled with the space industry interest shown in the emerging Westcott Space Cluster (evidenced by the significant attendance at the October 2018 launch event) and the announcement by Rockspring (the site owner) that it is looking to deliver c.1,900m2 speculative 'move on' employment space in the EZ alongside the Innovation Centre, provides the opportunity to refocus the Innovation Centre and its proposed facilities to ensure it meets the latest and future industry requirements.

3.13 Further discussions have been held with the SAC, Rockspring and other prospective partners (e.g. Leicester University and the Manufacturing Technology Centre in the context of Apprenticeships / skills support) regarding the Innovation Centre project. The SAC have provided a Business Case seeking EZ funding of £1.2m to add to the £2m LGF funding to support the expanded and enhanced Innovation Centre. Independent Consultants, Hewdon Consulting, have appraised the project for AVEZ, and have provided an Appraisal Report. The positive conclusions of Hewdon's project appraisal are outlined further below.

3.14 In summary the Innovation Centre will fulfil the following functions:

a) Provide growth space for incubatees from Westcott BIC and 5 G Centre – ensuring companies can remain at Westcott, and expand;

b) Be a hub for University researchers, promoting collaboration with industry and more effective knowledge and people exchange;

c) Act as a landing ground for companies wishing to set-up at Westcott or establish collaborations on 'neutral territory';

d) Provide space for production engineering development and be a platform for rapid expansion and creation of production capabilities and jobs at Westcott;

e) Act as an initial focus for training activities at Westcott.

f) Provide a footprint for educational activities relating to Space and careers within, with an emphasis on manufacturing, which is accessible to all;

3.15 The production engineering capability (d) is the major addition to the original concept, and is driven by recent developments in the space sector, and the planned introduction of indigenous small to medium launch capability aimed at the growth market of small satellites and satellite constellations.

3.16 In addition to the provision of production space, the revised proposal also increases the size of the Innovation Centre (from 1,000m2 to 1,200m2) and enhances the building's specification (from a basic industrial unit) to create a 'gateway' building at the entrance of the Space Cluster site.

Scheme Funding

3.17 The Business case put forward by the Satellite Catapult and supported by the Enterprise Zone Board proposes that the £1.2 million of funding for the project is split £600,000 Loan and £600,000 grant. As its Accountable Body, the Enterprise Zone Board is seeking for AVDC to borrow the £1.2m funding and to recover this (plus any interest costs) from the EZ retained business rates.

3.18 The Borrowing will be reduced by repayment of the 50% loan element (£0.6m plus interest) by SAC which will occur in 2 staged payments (as provided for in the BTVLEP / SAC Agreement). This would serve to reduce the net EZ cost of the project to £0.6m. In addition the building will generate business rates for retention by AVEZ of approximately £30,000 per annum.

3.19 The balance of £600,000 (the Grant element) will be repaid by the Enterprise Zone from the retained Business Rates. There are currently sufficient unallocated business rates receipts to fund the estimated repayment, even without the development of new business rates paying premises. This scheme is therefore considered affordable by the Enterprise Zone Board.

3.20 It is proposed that the EZ funding is provided to BTVLEP and that BTVLEP amends its existing Grant and Loan Agreements with SAC to reflect the increased funding from the EZ. This (subject to further detailed discussion with AVDC / BTVLEP) seems to provide the simplest mechanism for provision of funding.

3.21 A separate funding agreement will need to be put in place between AVDC / BTVLEP relating to the provision of the EZ funding and return of the 50% loan funding. As BTVEP has no legal company status of its own its accountable body is Bucks County Council, or its successor.

3.22 The Council, will require BTVLEP to secure a charge over the property (if achievable) but will ultimately seek underwriting from BTLEP (via Bucks CC, or its successor) for the Loan element of the transaction.

3.23 If the Council is supportive, the detail of the funding agreement (together with a legal review and state aid review) will need to be refined to protect the Council's interests.

Business Case Independent Appraisal

3.24 Hewdon Consulting's Project Appraisal (November 2018) concludes that the project is robust and that the Innovation Centre as now proposed would be a positive addition to the Westcott Space Cluster.

Hewdon's detailed conclusions are summarised below:-

a) The increase in project scope and costs are brought about by changes in external factors that increase the importance of the project to the local and national economy;

b) The revised project results in a larger and better specified building that justifies the additional cost;

c) SAC is a well-financed government-sponsored body with experience of operating a similar Hub at Harwell and has also just completed the Business Incubation Centre and 5G Centre at Westcott;

d) SAC has experience of operating similar buildings but not of building them. It has hired an experienced project manager to oversee the project but BTVLEP/AVEZ may need to monitor progress more closely than normal for such projects;

e) The operating budget for the centre is sensible and occupancy targets are ambitious but achievable;

f) The investment case is robust and can be justified by the contribution to UK productivity from each job created and by the lack of deadweight or displacement;

g) The existing LGF loan agreement provides a five year facility at a rate of 1.37% unsecured. As this is below market rate, it implies that the aid to the project is in excess of 50% and may create a state aid problem. This may need further advice;

h) the loan is secured by a mortgage against SAC's leasehold interest in the building which may not provide adequate security and this should be tested by an independent valuation although in Hewdon's view this is probably an acceptable risk;

i) If the additional funding is financed by AVDC, half will be secured as a loan on the building (assuming that provides adequate security) but AVDC will need to recoup at least some of its grant from retained rates on other EZ buildings;

j) it seems sensible to pass EZ funding to BTVLEP who can put in place variations to existing contract documentation with SAC – which will need some variation anyway to cope with the change to scope.

3.25 The Hewdon conclusions support the investment in the scheme as a central part of the development of this Enterprise Zone. The Funding provided by Aylesbury Vale can be covered by existing retained Business Rates being delivered from the existing 3 Enterprise Zones. The roll of the LEP and the County Council (as its Accountable Body) provides sufficient security and confidence of repayment to justify provision of funding in accordance with this request.

Contact Officer	Nuala Donnelly 01296 585164
Background Documents	

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Cabinet
18 December 2018

CAPITAL PROGRAMME UPDATE 2019/20-2022/23
Councillor Mordue
Cabinet Member for Finance and Resources

1 Purpose

1.1 This report gives an update on the capital programme for the current year and sets out a revised programme for 2019/20 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 6th February 2019.

2 Recommendations/for decision

2.1 Consider the updated Capital Programme for 2019/20 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.

2.3 Agree the principles for the emerging Capital Strategy for 2019/20

3 Executive summary

3.1 This report sets out the Capital Programme for 2019/20 onwards. It has been updated to include changes and new proposals 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.

3.2 The focus of the capital programme is on delivery of existing schemes which have already been approved by Council.

3.3 The plan reflects the Council strategy to ensure both the prudent use and the maximisation of available capital resources.

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 2018. 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 At the time of writing the report, the Secretary of State has confirmed his decision to create a single Unitary District Council for Buckinghamshire which will come into existence in May 2020.

4.4 This fundamental change will happen during the period of the proposed capital plan. This clearly removes the need for medium term planning for Aylesbury Vale as a single entity organisation, as the new organisation will want to determine its own priorities, but the Council remains obligated to handover its affairs to the new organisation in the best state it can.

4.5 At this early stage, the financial implications of the announcement are yet to be fully understood. As thinking and understanding are progressed, the significant financial impacts will be reported to Members.

4.6 Future investment and borrowing decisions may be influenced by the outcome of the unitary arrangements.

4.7 This report provides an updated position with respect to forecast receipts and the position with regards to current and future major investment projects.

5 Capital Resources

5.1 This report sets out the high level issues facing the Council in terms of developing its Capital plans.

5.2 In addition to the unitary decision, there remain a number of other key uncertainties, e.g. financial impact Brexit and changes to the economy. Economic and interest rate forecasting remain difficult with so many external influences weighing on the UK.

5.3 Investment returns are likely to remain low during 2019/20 but appear to be on a gently rising trend over the next few years.

5.4 Borrowing interest rates have been volatile so far in 2018-19 and have increased modestly since the summer. The policy of avoiding new borrowing by running down spare cash balances has served AVDC well over the last few years and the intention is to continue to do this where balances allow.

5.5 The focus of the capital plan will now be primarily on 2019/20, but consideration will still be given to 2020 and beyond because of the obligation to hand Aylesbury Vale's affairs to its successor in a fit state.

5.6 A number of external and internal factors do have a bearing on the available resources for the capital programme. Changes in anticipated resources effectively increase or reduce the level of resources available to fund new schemes and so impact directly on the Council decisions to invest or borrow resources.

5.7 The changes in anticipated resources which need to be factored into the programme are as follows:

- <u>Revenue Contribution</u> – Currently there is an proposed £400,000 contribution from revenue to supplement existing capital resources. In the Provisional Finance Settlement on 6 December 2018, the Government is anticipated to announce the removal of Negative Revenue Support Grant (RSG) and the indication is that the financial impact of the proposed change will benefit the Council by circa £0.7m. This will be a non-recurrent re-alignment of funding. Given the non-recurrent nature of the proposed additional funding, it has been recommended to Cabinet, (as part of the Revenue Budget), that the funding will be ring fenced to support likely and known pressures during 2019-20, specifically £0.4m to meet the costs of the car park changes detailed in the Car Park Strategy.

- Reserve utilisation of £4.5m for the Town Centre Regeneration. This scheme has previously been agreed by Council.
- Borrowing will be required to support the capital programme. The plan includes £8m of borrowing to support spend on Silverstone Enterprise Zone and also Pembroke Road. The revenue costs of the borrowing are included in the agreed business plans. The level of borrowing will be managed in year and only actioned after cash balances have been utilised.
- 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 14 for 2018/19, with the same number being forecast for 2019/20 equating to sales of an estimated £1.5millions. The number of residual RTB house sales has consistently fallen over the last couple of years.
- Asset Sales - these are sums released from disposal of Council owned assets, mainly land or property. The generation of any significant receipts from the Council's current reduced asset base is no longer possible, but periodically some small receipts are received from parcels of land and capital repayments from some loans. No asset sales have been assumed for 2019/20, but does include £0.440m in 2019/20 for AVE loan repayments
- Lottery, Grants & Section 106 – This relates to external resources not related to asset sales.

5.8 The table below sets out the available resources at the beginning of 2018/19 and projected resources during 2018/19 and 2019/20, before any expenditure has been taken into account.

	Current Resources	Resources Projection
	Apr-18	Mar-19
	£'000s	£'000s
Balance of Capital Resources	8,311	6,131
Share of Right to Buy Receipts	1,500	1,500
Asset Sales		
Lottery, Grants and Section 106	2,080	4,940
Revenue Contributions (NHB)	327	
Revenue Contributions		400
Total End of Year	12,218	12,971

6 Capital Expenditure

6.1 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.

6.2 Major Projects: The following are listed under the Major Projects section – Pembroke Road depot, Silverstone Heritage Centre, Silverstone Enterprise Zone and the Town Centre Regeneration. The capital programme includes the latest forecast costs for the individual schemes and reflects the current position.

Depot - Pembroke Road

- The scheme to develop existing waste and recycling depot site at Pembroke Road continues. The scheme was agreed by Council in October 2016.
- The total scheme cost is £9.2 million. The scheme includes £1.9 million for the provision of expanded vehicle testing facilities and the business decision to continue with this element of the scheme is still under review.
- The report and business case was predicated on the cost of the scheme being met from borrowing, whilst recognising that the amount might be reduced if there is additional capital resources received during the year. Expenditure incurred thus far for the scheme (mainly design and demolition) has been funded from the balances of unallocated capital resources. The Programme presented in the Appendix includes an assumption of borrowing for the scheme. However, it is proposed that all unallocated capital resources are allocated in the first instance in lieu of borrowing as a mechanism to reduce borrowing costs. The borrowing costs have been included in the business case for the development.
- 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 Heritage Centre

- 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.
- This is levered 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.
- The Silverstone management team presented to Finance and Services Scrutiny Committee in October 2018. Progress on the development is good and there is an anticipated opening dates of the facilities in spring of 2019.

Silverstone Enterprise Zone

- In Autumn 2017 Council agreed to provide Capital funding for enabling works for the Silverstone Enterprise Zone in the form of a of £5.00 loan to be repaid from the additional Business Rates generated on site.
- 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.
- 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.

Westcott Innovation Centre

- A Business case for the expansion of the Westcott Innovation Centre is currently being considered by the Aylesbury Vale Enterprise Zone Board. With a business funding model aligned to the Enterprise Zone, the Board are broadly supportive of the Scheme and so this will be seeking AVDC funding of circa £1.5million for the business case. This will be presented for further consideration at a future meeting, with the intention that this be included in the final Capital Programme proposals being recommended to Council on 6th February.

Town Centre Regeneration

- At a meeting of its full Council on Wednesday 19 September, AVDC agreed to invest in the rejuvenation of the Aylesbury Town centre public spaces. The planned investment into Kingsbury and Market Square will address the operational and aesthetic challenges, while making improvements to the safety, sustainability and accessibility of the areas. The improvements will also look to emphasise Kingsbury as the gateway to the old town, celebrating Aylesbury's rich heritage as a market town.
- The funding will be sourced from specifically earmarked funding and grants, including: existing Section 106 funding allocated to Aylesbury town centre, a Heritage Lottery Funding Townscape Grants bid and New Homes Bonus. This will enable AVDC to achieve its prospects without the need to borrow.
- Although Council required the scheme to be re-presented once further planning work has taken place, the full provision has been included in the Capital Programme in order to reserve the funding.

6.3 Housing Schemes

- The main element of funding within this category relates to the Council's housing enabling function.
- 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.

6.4 Other Projects

A number of new projects are included as well as provision for schemes that have been delayed for reasons outside of the Council's control.

- Notable other projects in this section of the Capital Programme include £1.25m for the purchase of new vehicles to support bringing the provision of the Street Cleaning and Horticulture contract in-house. The vehicles are required in order to provide the statutory functions of the horticulture services and would be required whether the existing contract was extended or the service brought in-house.
- The programme allows for a rolling replacement for 5 food waste vehicles.

- The car parking strategy agreed by Cabinet in December 2018 outlined a need for capital funding to upgrade payment equipment in AVDC car parks in other towns across the Vale. Provision for this equipment has been included in the capital plan for 2019/20, together with a contribution from Revenue to fund the cost of these works.
- Finally, spend 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.

6.5 Members will note that the major development for the Exchange is due for completion in 2018/19 with no further expenditure planned. The Exchange scheme commenced in January 2017 and consists of restaurants, one and two bedroom apartments above and a new public square. The scheme also provides commercial space.

6.6 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 £100,000 from the New Homes Bonus (NHB) Fund. Work is still on-going in order 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 now unlikely given the unitary decision.

6.7 Although not a funding pressure the programme for 2019/20 includes provision for a payment to be made 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 previously provided by the developer for the maintenance obligations as part of the original land transaction. Transfer of this sum to the Parish Council has been previously agreed, but long delayed whilst the legal ownership is resolved.

7 Capital Strategy

7.1 The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report setting out the Council's Capital Strategy.

7.2 The purpose of the Capital Strategy is to drive the authority's capital investment ambition over a 20-30 year time frame, whilst also ensuring appropriate capital expenditure, capital financing and treasury management in the context of the sustainable, long term delivery of services.

7.3 The capital programme for the council would normally be a long term ambition, with the lifetime of new and existing assets stretching far into the future. The obligation for maintaining and improving council dwellings and operational buildings is very long term and as such should be considered accordingly in financial and asset management planning.

7.4 The development of the Capital Strategy for AVDC is disadvantaged by the uncertainty resulting from the unitary decision. However, to comply with statutory requirements, an expanded, but still abridged strategy, (reflecting a single year planning period) will still be presented alongside the Treasury Management Strategy in January 2019. However, the key principles of the strategy are set out below for contextual consideration.

7.5 The Capital Strategy for AVDC for 2019-20 will focus on core principles that underpin the council's capital programme in the short term only and the issues and the risks that will impact on the delivery of the programme; and the governance framework required to ensure the capital programme is delivered and provides value for money for residents of Aylesbury Vale.

7.6 Within a shorter timeframe the focus of the capital strategy is towards the delivery and implementation of existing capital schemes.

7.7 Within the short term timeframe the capital programme may still be amended by the introduction of urgent, high priority capital schemes. The programme will need to be flexible to ensure that the capital programme can incorporate schemes to meet the requirements or opportunities that arise. As part of capital programme and resource management, schemes may be phased over multiple years due to factors such as complexity, resourcing, legal and planning requirements.

7.8 The development, management and monitoring of capital investments for 2019/20 will remain under the control of AVDC.

7.9 The overriding objective of asset management within the council is to achieve a corporate portfolio of property assets that is appropriate, fit for purpose and affordable. The council's property portfolio now mainly consist of small land holdings and our operational buildings i.e. offices, leisure facilities, public conveniences etc.

7.10 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

7.11 The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

7.12 Risk is an important aspect of the consideration of any proposed capital or investment proposal. The risks will be considered in line with the risk management strategies we have in place and commensurate with the council's low risk appetite.

7.13 The Treasury Management Strategy for 2019-20, to be presented to Council for approval, will include detail on expenditure plans and the associated prudential indicators.

7.14 The development of capital investments beyond 2020 will ultimately be delivered by the new Authority.

8 Options considered

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

9 Reasons for Recommendation

9.1 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.

9.2 The CIPFA Prudential Code (December 2017) includes the requirement to produce a Capital Strategy.

10 Resource implications

10.1 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.

10.2 The revenue costs are incorporated into the initial Budget Planning report included elsewhere on this agenda.

Contact Officer	Nuala Donnelly 01296 585164
Background Documents	Capital Programme 2017/18 to 2021/22 Cabinet November 2017

Capital Programme				2018/2019	2019/2020	2020/2021	2021/2022
				£'000s	£'000s	£'000s	£'000s
				Planned	Planned	Planned	Planned
Capital Resources							
Base Available Resources	**8,311**			**8,311**			
Add Contributions from Revenue - Parking Strategy	**400**				**400**		
Add Contributions from NHB Affordable Housing	**327**			**327**	**0**		
Add New Receipts and Contributions (Estimated)	**13,930**			**3,580**	**6,440**	**1,950**	**1,960**
FORECAST RESOURCE AVAILABILITY	**22,968**			**12,218**	**6,840**	**1,950**	**1,960**
Add Prudential Borrowing	**9,450**			**250**	**9,200**		
TOTAL FORECAST RESOURCE AVAILABILITY	**32,418**			**12,468**	**16,040**	**1,950**	**1,960**
Capital Spend	**SCHEME TOTAL**		**SCHEME COSTS TO DATE**				
Major Projects	**£'000s**		**£'000s**				
Waterside North (Exchange St) **(via part NHB)**	**4,100**	0	4,100				
Public Realm Waterside North (Exchange St)	**3,300**	0	603	2,697			
Pembroke Road Depot Upgrade **(via part Borrowing)**	**12,700**	0	6,200	250	6,250		
Silverstone **(via NHB)**	**2,000**	0		1,500	500		
Westcott Enterprise Zone					1,200		
Prov Loan Facility - Silverstone Enterprise Zone **(via Borrowing)**	**5,000**	0			5,000		
Town Centre Regeneration **(via NHB, s106)**	**4,500**	0			4,500		
		0					
Major Project Expenditure Total	**31,600**		**10,903**	**4,447**	**17,450**	**0**	**0**
Housing							
Disabled Facility Grants	**1,939**	0	1,454	100	100	100	185
Enabling schemes	**32,601**	0	26,601	1,500	1,500	1,500	1,500
Housing Expenditure Total	**34,540**		**28,055**	**1,600**	**1,600**	**1,600**	**1,685**
	0						
Other projects in current programme							
Refuse Vehicle Replacements	**4,550**	0	4,300	250			
Street & Horticultural Vehicle Replacements	**1,250**	0			1,250		
Food Waste Vehicle Replacement	**600**				600		
Car Park Improvements	**800**	0			600	200	
Community Centre Improvements	**400**	0	19	40	341		
Play Area Replacement Programme	**420**	0			140	140	140
Public Convenience	**140**				140		
Other Projects Total	**8,160**		**4,319**	**290**	**3,071**	**340**	**140**
	0						
WHOLE PROGRAMME TOTAL SPEND	**74,300**		**43,277**	**6,337**	**22,121**	**1,940**	**1,825**
Cumulative Balance Remaining	(- = overdrawn)			8,311	6,131	50	60
Net Spend (-) / Income For the Year.				-2,180	-6,081	10	135
Uncommitted Balance as at 31 March	(- = overdrawn)			**6,131**	**50**	**60**	**195**

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Finance and Services Scrutiny Committee
14 January 2019

TREASURY MANAGEMENT STRATEGY 2019-20
Councillor Mordue
Cabinet Member for Finance and Resources

1 Purpose

1.1 This report is being presented as the Council is required to approve the Treasury Management Strategy Statement including the Treasury Management Policy Statement, the Minimum Revenue Provision Policy Statement, the Annual Investment Strategy and the Council Capital Strategy. These Statements and Strategy are attached in appendix A.

2 Recommendations/for decision

2.1 To consider and recommend to Council the Treasury Management Strategy Statement for 2019-20 as detailed in Appendix A and specifically:

2.2 To consider and recommend to Council the Annual Investment Strategy as detailed in Appendix A-4

2.3 To consider and recommend to Council the Minimum Revenue Provision policy statement as detailed in Appendix A-5

2.4 To consider and recommend to Council the Treasury Management Statement as detailed A-6

2.5 To consider and recommend to Council the Capital Strategy for 2019-20 as detailed in Appendix A-7

3 Background

3.1 The Appendix sets the Treasury Management Strategy Statement and outlines the background to the prudential indicators relating to the Council's capital expenditure plans, the capital financing requirement and affordability generally.

3.2 The proposed MRP Statement is also included in the Appendix A-5

3.3 The Strategy has been drawn up in association with the Council's treasury management advisors, Link Asset Services. The Strategy reflects up to date information and advice.

3.4 The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

3.5 The final Capital Programme will be presented to Council on 6TH February 2019. The report provides Council with forecast of forecast receipts and the position with regards to current and future major investment projects.

3.6 A total capital spend of £22.121m1 is proposed for 2019/20.

3.7 A number of external and internal factors do have a bearing on the available resources for the capital programme. Changes in anticipated resources effectively increase or reduce the level of resources available to fund new schemes and so impact directly on the Council decisions to invest or borrow resources.

3.8 A number of changes in respect of anticipated resources have been factored into the programme and include a) planned contributions from revenue b) use of reserves and also c)) Lottery, Grants & Section 106 which relates to external resources not related to asset sales.

3.9 Borrowing will be required to support the capital programme. The plan includes £9.28m of borrowing to support spend on Silverstone and Westcott Enterprise Zones and also Pembroke Road. The revenue costs of the borrowing are included in the agreed business plans. The level of borrowing will be managed in year and only actioned after cash balances have been utilised.

3.10 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 2019/20 are a direct result of decisions to borrow less against agreed plans.

3.11 The Council has a Commercial Property Strategy which includes 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. As yet no draw down has taken place, and this is increasingly unlikely to be actioned in 2019/20. The objective of the scheme is 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.

3.12 In December 2017, CIPFA issued a revised Treasury Management Code of Practice and a revised Prudential Code. These revisions have particularly focused on non-treasury investments and especially on the purchase of property with a view to generating income.

3.13 The treasury management reports for 2019/20 take account of the CIPFA Code of Practice on Treasury Management 2017 and the CIPFA Prudential Code 2017.

3.14 The Prudential Code 2017 introduced a new requirement for local authorities to produce an annual capital strategy.

3.15 There are also proposals in relation to IFRS arising from the 2018/19 Accounting Code of Practice proposals for financial assets. Whilst for many this may not be a significant issue, key considerations will need to be considered. These are technical changes in relation to Expected Credit Loss Model and also equity related to the "commercialism" agenda, property funds, equity.

3.16 As a result of the change in accounting standards for 2018/19 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund.

3.17 IFRS 16 replaces IAS 17 Leases and its related interpretations. It will apply to the 2019/20 financial statements subject to the consultation process and CIPFA/LASAAC's decisions for adoption in the 2019/20 Code. The changes introduced by the standard will have substantial practical implications for local authorities that currently have material operating leases, and are also likely to have an effect on the capital financing arrangements of the authority.

3.18 At the time of writing the report, the Secretary of State has confirmed his decision to create a single Unitary District Council for Buckinghamshire which will come into existence in May 2020.

3.19 At this early stage, the financial implications of the announcement are yet to be fully understood. As thinking and understanding are progressed, the significant financial impacts will be reported to Members.

3.20 In addition to the unitary decision, there remain a number of other key uncertainties, e.g. financial impact Brexit and changes to the economy. Economic and interest rate forecasting remain difficult with so many external influences weighing on the UK.

3.21 Investment returns are likely to remain low during 2019/20 but appear to be on a gently rising trend over the next few years.

3.22 Borrowing interest rates have been volatile so far in 2018-19 and have increased modestly since the summer. The policy of avoiding new borrowing by running down spare cash balances has served AVDC well over the last few years and the intention is to continue to do this where balances allow.

4 2019/20 Treasury Management Strategy

4.1 The annual Treasury Management Strategy is attached as Appendix A and includes the Prudential Indicators that are used as part of the self governance framework.

4.2 This report provides supplementary background to the Strategy and summarises a number of issues of note to Members.

4.3 The Key messages are:

- Investments – the primary governing principle will remain security over return and the criteria for selecting counterparties reflect this.
- Borrowing – overall, this will remain fairly constant over the period covered by this report and the Council will remain under-borrowed against its borrowing requirement due to the higher cost of carrying debt.
- Governance – strategies are reviewed by the Audit Committee with continuous monitoring which includes Mid-Year and Year End reporting.

4.4 The Prudential Code for Capital Finance in Local Authorities (the Code) is a professional Code that sets out a framework for self-regulation of capital spending; in effect allowing councils to invest in capital projects which best meet their service delivery objectives as long as they are affordable, prudent and sustainable, subject to Government reserve powers to restrict borrowing for national economic reasons.

4.5 The key objectives of the Prudential Code developed by CIPFA are to ensure that the capital investment plans of local authorities are affordable, prudent and sustainable. The Code requires the Council to agree and monitor a number of prudential indicators. The indicators cover affordability, prudence, capital expenditure, debt levels and treasury management. These indicators will also form the basis of in-year monitoring and reporting.

4.6 The local authority shall ensure that all of its capital expenditure, investments and borrowing decisions are prudent and sustainable. In doing so it takes into account its arrangements for the repayment of debt (including through MRP) and consideration of risk on overall fiscal sustainability.

The limits and indicators that the Authority is required to determine by the code are:

Capital and Debt Indicators

Capital Expenditure - Represents the agreed Capital Programme and sets out the planned capital expenditure over the next three years.

Capital Financing Requirement – The amount the Authority needs to borrow in order to deliver its Capital Expenditure plans.

Affordability Index - This is the proportion of the Authority's income which is taken up by loan repayments and interest. The more the Authority borrows the less is available for delivering services.

Treasury Management Indicators

Exposure to Interest Rate Risk - The maximum proportion or borrowing which can be on either fixed or variable interest rates. By setting a maximum proportion a limit is placed on the amount by which the Authority's finances will be affected by movements in base rates.

Maturity Profile - The maximum length of time over which borrowing can be taken. Authorities can borrow for any length providing that they can afford to do so.

Authorised Limit - The combined maximum amount the Authority can take in borrowing to finance its capital expenditure plans and its day to day cash flow purposes

Operational Limit - The amount the Authority realistically expects to borrow and represents the figure that the Authority would not expect to exceed on a day to day basis

5 2019/20 Investment Management Strategy

5.1 The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

5.2 The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

5.3 A number of changes are proposed for the 2019-20 Investment Strategy.

- Changes to the counterparty limits for banks so that A rated banks are also available for deposits up to 1 year. Individual limits have also been increased so that A rated is £5m, AA rated is £7.5m and AAA rated is £10m.
- This can be justified as recent changes to the stress testing that banks have to go through has become far more stringent. To qualify as an A rated entity, banks need to be far more secure and have many more liquid assets than previously rated at AA or even AAA.

5.4 The Investment Strategy is included in Appendix A-4

6 Capital Strategy

6.1 The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report setting out the Council's Capital Strategy.

6.2 To comply with statutory requirements, an expanded, but still abridged (because unitary) strategy is presented alongside the Treasury Management Strategy in January 2019.

6.3 The Capital Strategy is included in Appendix A-7

6.4 The purpose of the Capital Strategy is to drive the authority's capital investment ambition over a 20-30 year time frame, whilst also ensuring appropriate capital expenditure, capital financing and treasury management in the context of the sustainable, long term delivery of services.

6.5 However, the development of the Capital Strategy for AVDC is overshadowed by the unitary decision which only gives the Council the ability to plan for a single year. Thereafter, it will be a matter for the new Council to determine its own Capital Strategy and Financial plan given its own priorities and pressures.

7 Economic Background

7.1 The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

7.2 The UK economy is also 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 economy generally.

7.3 The Council's treasury advisor, Link Asset Services, as part of their service provides a view on the future forecast rates for Base Rate and PWLB:

Link Asset Services Interest Rate View	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.10%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

7.4 As expected, the Monetary Policy Committee (MPC) delivered a 0.25% increase in Bank Rate at its meeting in August. The MPC also gave forward guidance that they expected to increase Bank rate only twice more by 0.25% by 2020 to end at 1.50%. The Link Asset Services forecast as above includes increases in Bank Rate of 0.25% in November 2019 and August 2020.

7.5 Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK.

8 Property Funds

8.1 Last year the use of Property Funds was included within the strategy as an alternative long term deposit to the use of Fund Managers.

8.2 The use of Property Funds for investment was not engaged for 2018-19

9 Investments and Loan as at 31st December 2018

9.1 As at 31st December 2018, the Council had following portfolio of investment and loans.

Borrowing

Fixed Rate Funding: £17.694m. Average Rate: 4.114%.

Investments

Fixed Rate and Notice Account Investments:£44.694m.Average Rate: 0.803%.

10 Scrutiny

Finance and Services Scrutiny Committee now receive the Treasury Management Strategy prior to Council.

11 Reasons for Recommendation

Under the terms of the Statutory Code of Practice for Treasury Management, the Council is required to receive an annual strategy statement prior to the 1st April on its Treasury Management function. This report represents the fulfilment of that requirement.

12 Resource implications

12.1 The authority has previously operated an Interest Equalisation Reserve to smooth out fluctuations in interest rates. With returns on investment higher than budget, by the end of 2018/19, the interest equalisation reserve is estimated to be £2.053 million.

12.2 Cabinet have now agreed that the reserve can be utilised to support the transitional costs of the unitary decision.

12.3 Given that there are no expected changes in interest rates in the short term, this decision is deemed prudent with minimal risk.

12.4 The Medium Term Financial Plan recognises the Council's use of capital and other balances in delivering its plans and the impact that this will have on interest earnings.

Contact Officer	Nuala Donnelly 01296 585164
Background Documents	Capita Services Treasury Management Update CIPFA Prudential Code Statutory Code of Practice for Treasury Management

Treasury Management Strategy Statement

Minimum Revenue Provision Policy Statement and Annual Investment Strategy

and Capital Strategy

Aylesbury Vale District Council
2019/20

1.INTRODUCTION

1.1 **Background**

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management as:

> *"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*

Revised reporting is required for the 2019/20 reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a capital strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital strategy is being reported separately.

1.2 **Reporting requirements**

1.2.1 Capital Strategy

The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report, a capital strategy report, which will provide the following:

- a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services

- an overview of how the associated risk is managed
- the implications for future financial sustainability

This is detail as Appendix A-7

1.2.2 Treasury Management reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
   - the capital plans, (including prudential indicators);
   - a minimum revenue provision (MRP) policy, (how residual capital expenditure is charged to revenue over time);
   - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
   - an investment strategy, (the parameters on how investments are to be managed).

b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the capital position, amending prudential indicators as necessary, and whether any policies require revision. In addition to this report, borrowing and deposit positions are reported in the Quarterly Financial Digest.

c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny
The reports below are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Finance and Services Scrutiny Committee.

Report to	Frequency
Council	
Treasury Management Strategy / Annual Investment Strategy and MRP Policy	Annually before the start of the year (1st April)
Treasury Management Strategy / Annual Investment Strategy and MRP Policy	Annually mid year (September/October)
Treasury Outturn Report	Annually after the year end and by the 30 September
Finance and Services Scrutiny	
Receives each of the above reports in advance of Council (where applicable) and makes recommendations as appropriate	In advance of year/mid-year/after year end and by 30 September

Receives confirmation of Treasury transactions have complied with the Strategy	Quarterly by way of the Financail Digest.

1.3 **Treasury Management Strategy for 2019/20**

The strategy for 2019/20 covers two main areas:

Capital issues
- the capital expenditure plans and the associated prudential indicators;
- the minimum revenue provision (MRP) policy.

Treasury management issues
- the current treasury position;
- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- the policy on use of external service providers.

These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

1.4 **Training**

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny.

1.5 **Treasury management consultants**

The Council uses Link Asset Services, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

2 THE CAPITAL PRUDENTIAL INDICATORS 2019/20 – 2021/22

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

2.1 Capital expenditure

This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts:

Capital Expenditure £m	2017/18 Actual	2018/19 Forecast	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Total	**20.139**	**6.337**	**22.121**	**1.940**	**1.825**

The table below summarises the above capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

Financing of Capital Expenditure £000s	**2017/18 Actual**	**2018/19 Forecast**	**2019/20 Estimate**	**2020/21 Estimate**	**2021/22 Estimate**
Capital Receipts	3,410	3,580	6,440	1,950	1,825
Capital Grants		0			
Capital Reserves	9,752	2,430	6,081		
Borrowing	1,278		9,200		
Revenue	5,699	327	400		
Net financing need for year	**20,139**	**6,337**	**22,121**	**1,950**	**1,825**

2.2 The Council's borrowing need (the Capital Financing Requirement)

The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a borrowing facility by the PFI, PPP lease provider and so the Council is not required to separately borrow for these schemes.

The Council is asked to approve the CFR projections below:

£000s	2017/18 Actual	2018/19 Forecast	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
External Debt					
Debt at 1 April	23,080	24,183	19,003	18,818	18,633
Expected change in Debt	1,103	-5,180	-185	-185	-185
Actual Gross debt at 31 March	**24,183**	**19,003**	**18,818**	**18,633**	**18,448**
The Capital Financing Requirement	**41,205**	**41,933**	**54,564**	**53,104**	**51,519**
Under / (over) borrowing	17,022	22,930	35,746	34,471	33,071

2.3 **Core funds and expected investment balances**

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.).

Year End Resources (£000s)	2017/18 Actual	2018/19 Forecast	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Fund balances and reserves	35,976	35,926	35,926	35,926	35,926
Capital receipts	10,709	10,709	10,709	10,709	10,709
Provisions	1,931	1,931	1,931	1,931	1,931
Other	2,955	2,955	2,955	2,955	2,955
Total Core Funds	**51,571**	**51,521**	**51,521**	**51,521**	**51,521**

2.4 Affordability prudential indicators

The strategy details the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances. The Council is asked to approve the following indicators:

a. Ratio of financing costs to net revenue stream

This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream.

	2017/18 Actual	2018/19 Forecast	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
General Fund	**-12.13%**	**-13.69%**	**-14.80%**	**-14.27%**	**-14.04%**

The estimates of financing costs include current commitments and the proposals in this budget report.

3 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

3.1 **Treasury Indicators: limits to borrowing activity**

There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
- Maturity structure of borrowing. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.

The Council is asked to approve the following treasury indicators and limits:

Upper Limit on Variable Interest Rate Exposure

Indicator	**2017/18 Forecast**	**2018/19 Estimate**	**2019/20 Estimate**	**2020/21 Estimate**	**2021/22 Estimate**
Upper limit on variable interest rate exposure	20%	20%	20%	20%	20%

Upper Limit on Fixed Interest Rate Exposure

Indicator	**2017/18 Forecast**	**2018/19 Estimate**	**2019/20 Estimate**	**2020/21 Estimate**	**2021/22 Estimate**
Upper limit on fixed interest rate exposure	100%	100%	100%	100%	100%

Maturity Structure of Fixed Rate Borrowing

Indicator	2018/19 Forecast	2019/20 Estimate	2020/21 Estimate	2021/22 Estimate
Under 12 months	21%			
12 months & within 24 months				
24 months & within 5 years				
5 years & within 10 years	21%	27%	27%	27%
10 years & within 20 years				
20 years & within 30 years			73%	73%
30 years & within 40 years	58%	73%		

The operational boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources.

Operational boundary £'000s	2017/18 Actual	2018/19 Forecast	2019/20 Estimate	2020/21 Estimate
External Debt	35,000	50,000	50,000	50,000

The authorised limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

1. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.
2. The Council is asked to approve the following authorised limit:

Authorised limit £'000s	2017/18 Actual	2018/19 Forecast	2019/20 Estimate	2020/21 Estimate
Debt	50,000	70,000	70,000	70,000

3.2 **Prospects for interest rates**

The Council has appointed Link Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives our central view.

Link Asset Services Interest Rate View	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.10%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

The flow of generally positive economic statistics after the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, from 0.5% to 0.75%. Growth has been healthy since that meeting, but is expected to weaken somewhat during the last quarter of 2018. At their November meeting, the MPC left Bank Rate unchanged, but expressed some concern at the Chancellor's fiscal stimulus in his Budget, which could increase inflationary pressures. However, it is unlikely that the MPC would increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. The next increase in Bank Rate is therefore forecast to be in May 2019, followed by increases in February and November 2020, before ending up at 2.0% in February 2022.

Investment and borrowing rates

- Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.
- Borrowing interest rates have been volatile so far in 2018-19 and have increased modestly since the summer. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt;
- There will remain a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

3.3 **Borrowing strategy**

The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

Against this background and the risks within the economic forecast, caution will be adopted with the 2019/20 treasury operations. The Director of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

Any decisions will be reported to the appropriate decision making body at the next available opportunity.

Policy on borrowing in advance of need

The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.4 **Debt rescheduling**

As short-term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long-term debt to short-term debt. However, these savings will need to be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Cabinet the earliest meeting following its action.

4 ANNUAL INVESTMENT STRATEGY

4.1 **Investment policy – management of risk**

The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 ("the Code")
- CIPFA Treasury Management Guidance Notes 2018

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the Short Term and Long Term ratings.

Ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4.2 Creditworthiness policy

The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Director of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Asset Services, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. The criteria for providing a pool of high quality investment counterparties, (both specified and non-specified investments) is:

	Good Credit Quality with a minimum agency credit rating (where rated).	**Minimum Ratings**
BANKS		
1.1	Are UK banks	A
1.2	Are non-UK and domiciled in a country which has a minimum sovereign long term rating of	AAA
	Non –UK Banks: Short Term	F1+
	Non – UK Banks: Long Term	AA
2.1	Part nationalized UK banks – Lloyds Banking Group and Royal Bank of Scotland. These banks can be included if they continue to be part nationalized or they meeting the ratings in Banks 1 above.	n/a
3.1	The Council's own banker for transactional purposes if the bank falls below the above criteria, although in this case balances will be minimized (wherever possible) in both monetary size and time.	
BUILDING SOCITIES	The Council will use all societies within the top 20 that have assets over £½ billion. See time and amount restrictions below.	n/a
MMF	The Council will use Money Market Funds.	AAA
GOV'T		
1.1	The Council will use the UK Government (including gilts and the Debt Management Agency).	AAA
1.2	Local Authorities and Parish Councils	n/a
FOREIGN		
1.1	Due care will be taken to consider the country, group and sector exposure of the Council's investments. In part, the country selection will be chosen by the credit rating of the	AA

	sovereign state in Banks 1 above. In addition:	
1.2	no more than 25% will be placed with any non-UK country at any time	
1.3	limits in place above will apply to a group of companies	
1.4	sector limits will be monitored regularly for appropriateness	

Use of additional information other than credit ratings. Additional requirements under the Code require the Council to supplement credit rating information. Whilst the above criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, negative rating Watches/Outlooks) will be applied to compare the relative security of differing investment counterparties.

Time and monetary limits applying to investments. The time and monetary limits for institutions on the Council's counterparty list are as follows (these will cover both specified and non-specified investments):

	Fitch Long term Rating (or equivalent)	**Money and / or % Limit**	**Time Limit**
Banks 1 higher quality	**AAA**	**£10.00m**	**1 year**
Banks 1 medium quality	**AA**	**£7.5m**	**1 year**
Banks 1 lower quality	**A**	**£5m**	I year
Banks 2 – part nationalised	**N/A**	**£7.5m**	**1 year**
Banks 3 – Council's Banker (not meeting Banks 1)	**XXX**	**£2.5m**	**1 month**
Building Societies < £1 billion	**N/A**	**£1m**	**6 months**
Building Societies > £1 billion	**N/A**	**£3m**	**1 year**
Money Market Funds	**AAA**	**£7.5m**	**liquid**
Debt Management Agency	**AAA**	**unlimited**	**6 months**
Local Authorities	**N/A**	**£5m**	**1 year**
Local Authorities Parishes	**N/A**	**£500,000**	**6 months**
Foreign	**AA**	**£5m**	**1 year**
Other institutions Limit	**-**	**£2.5m**	**6 months**

4.3 Country and Sector limits

Due care will be taken to consider the country, group and sector exposure of the Council's investments.

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AAA from Fitch.

4.4 Investment strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage the ups and downs of cash flow where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

- If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments as being short term or variable.
- Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

Investment returns expectations.
Bank Rate is forecast to increase steadily but slowly over the next few years to reach 2.00% by quarter 1 2022. Bank Rate forecasts for financial year ends (March) are:

- 2018/19 0.75%
- 2019/20 1.25%
- 2020/21 1.50%
- 2021/22 2.00%

The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

	Now
2018/19	0.75%
2019/20	1.00%
2020/21	1.50%
2021/22	1.75%
2022/23	1.75%
2023/24	2.00%
Later years	2.50%

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are dependent on how strong GDP growth turns

out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

Investment treasury indicator and limit - total principal funds invested for greater than 365 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment, and are based on the availability of funds after each year-end.

The Council is asked to approve the following treasury indicator and limit:

Upper limit for principal sums invested for longer than 365 days			
£m	**2019/20**	**2020/21**	**2021/22**
	£000s	£000s	£000s
Principal sums invested for longer than 365 days	5,000	5,000	5,000

For its cash flow generated balances, the Council will seek to utilise its business reserve instant access and notice accounts, money market funds and short-dated deposits, in order to benefit from the compounding of interest.

4.5 Investment Liquidity

In consultation with the external treasury advisors, the Council will review its balance sheet position, level of reserves and cash requirements in order to determine the length of time for which investments can be prudently committed. Investments will be placed at a range of maturities, including having money on-call in order to maintain adequate liquidity.

4.6 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.7 Property Funds

The use of Property Funds is included within the strategy as an alternative long term deposit to the use of Fund Managers.

4.8 End of year investment report

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

4.9 External fund managers

The Council now has no funds externally managed

5 Minimum revenue provision (MRP) policy statement

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

MHCLG regulations have been issued which require the full Council to approve an MRP Statement in advance of each year. A variety of options are provided to councils, so long as there is a prudent provision. The Council is recommended to approve the following MRP Statement For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:

Asset Life Method
Since 1 April 2014, where capital expenditure on an asset is financed wholly or partly by borrowing or credit arrangements, MRP is to be determined by reference to the life of the asset, based on an equal instalment method. This amount is expected to be £1.485m for 2019/20.

Where assets have been purchased utilising capital grants or revenue contributions no MRP calculation is required. Only assets purchased utilising borrowing require an MRP charge.

The asset life method calculation requires estimated useful lives of assets to be input in to the calculations. These life periods will be determined by the Director of Finance, with regard to the statutory guidance and advice from professional valuers.

6 TREASURY MANAGEMENT STRATEGY STATEMENT

The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions and the annual investment strategy.

This Council defines its treasury management activities as:

The management of the authority's borrowing, investments and cash flow, its banking, money market and capital market transactions; the effective control of the risks associated with those risks; and the pursuit of optimum performance consistent with those risks.

This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.

This Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

The investment policy objective of this Council is the prudent investment of its treasury balances. The Council's investment priorities are the security of capital and liquidity of its investments so that funds are available for expenditure when needed. Both the CIPFA code and DCLG guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return or yield. The generation of investment income to support the provision of local authority services is important, but secondary, objective.

The Council's borrowing objectives are to minimise the revenue costs of debt whilst maintaining a balanced loan portfolio. The Council will set an affordable borrowing limit each year in compliance with the Local Government Act 2003 and will have regard to the CIPFA Prudential Code for Capital Finance in Local Authorities when setting that limit.

Current portfolio position

The Council's treasury portfolio position as at 31 December 2018 comprise:

Borrowing

Fixed Rate Funding: £17.694m. Average Rate: 4.114%.

Investments

Fixed Rate and Notice Account Investments:£44.635m.Average Rate: 0.803%.

7 Capital Strategy

7.1 The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report setting out the Council's Capital Strategy.

7.2 To comply with statutory requirements, an expanded, but still abridged (because unitary) strategy is presented alongside the Treasury Management Strategy in January 2019. The key principles of the strategy are set out below

Capital Strategy Lifespan

7.3 The purpose of the Capital Strategy is to drive the authority's capital investment ambition over a 20-30 year time frame, whilst also ensuring appropriate capital expenditure, capital financing and treasury management in the context of the sustainable, long term delivery of services.

7.4 However, the development of the Capital Strategy for AVDC is overshadowed by the unitary decision which only gives the Council the ability to plan for a single year. Thereafter, it will be a matter for the new Council to determine its own Capital Strategy and Financial plan given its own priorities and pressures. It is unlikely that this will mirror AVDC's focus given its narrower range of priorities and it geographical focus. Therefore it would be wrong for the Council to fetter the planning process for the new unitary council.

7.5 Whilst the Council cannot tell the new organisation what its priorities should be it can at least expand upon what Aylesbury Vale's investment priorities would have been (and it's approach to funding these) in order to give guidance to the new council and demonstrate that it is handing over it's affairs in a strong position.

Links to the Corporate Plan and External Partners

7.6 The capital programme for the council would normally be a long term ambition, reflecting the Council's ambitions (as set out within the Corporate Plan) stretching far into the future. The obligation for maintaining and improving council dwellings and operational buildings is very long term and as such should be considered accordingly in financial and asset management planning. However, the Councils planning period will obviously be curtailed by the unitary decision.

7.7 The Revenue Budget report refers to AVDC Priorities which underpin the development on the Medium Term Financial Plan and these equally apply to the Capital Strategy development process. These being:

- Financially Fit
- Leading and Shaping of Place
- Customer and Innovation
- Partner, Community and Environment

7.8 The Council will works closely with its strategic partners in the formulation of its Capital Strategy in order to understand the growth, infrastructure demands and pressures on the area. Key organisations include the County Council, the LEPs (including the Enterprise Zone Board), Bucks Advantage and East West Rail and East West Corridor.

Corporate Priorities Driving Capital Investment

7.9 The overriding objective of asset management within the council is to achieve a corporate portfolio of property assets that is appropriate, fit for purpose and affordable. The council's property portfolio now mainly consist of small land holdings and our operational buildings i.e. offices, leisure facilities, public conveniences etc.

7.10 The Capital Strategy for AVDC for 2019-20 will focus on core principles that underpin the council's capital programme in the short term only and the issues and the risks that will impact on the delivery of the programme; and the governance framework required to ensure the capital programme is delivered and provides value for money for residents of Aylesbury Vale.

7.11 Within a shorter timeframe the focus of the capital strategy is towards the delivery and implementation of existing capital schemes, such as Town Centre Improvements, the completion of the Depot Expansion project and the promotion and delivery of affordable housing provision in the Vale.

7.12 With Housing Growth likely to define the area over the next 20 years, it is essential that investment strategies recognise and does not neglect the needs of growing and expanding communities and make provision of a full range community spaces, leisure activities and housing opportunities.

7.13 Within the short term timeframe the capital programme may still be amended by the introduction of urgent, high priority capital schemes (subject to its justification via an appropriate Business Case).

7.14 The programme will need to be flexible to ensure that the capital programme can incorporate schemes to meet the requirements or opportunities that arise. As part of capital programme and resource management, schemes may be phased over multiple years due to factors such as complexity, resourcing, legal and planning requirements.

Capital Financing Principles

7.15 With limited unallocated capital resources the Strategy will seek to prioritise scheme that can either generate income streams to offset borrowing costs or which can be funded through external funding streams, such as through grants**.**

7.16 The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as investment returns are low and counterparty risk is still an issue that needs to be considered.

7.17 The Council will not borrow more than, or in advance of, its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

7.18 Production of the Capital Programme will be aligned to the Revenue Budgeting process to ensure any ongoing revenue implications are both fully understood and are affordable in the context of the Council's overarching funding position.

Risk Management, Monitoring and Governance

7.19 The development, management and monitoring of capital investments for 2019/20 will remain under the control of AVDC.

7.20 Risk is an important aspect of the consideration of any proposed capital or investment proposal. The risks will be considered in line with the risk management strategies we have in place and commensurate with the council's low risk appetite.

7.21 Monitoring of the Programme will be undertaken by joint officer / member working groups (currently, the Major Projects Group) and financial performance will be reported to Finance and Services Scrutiny Committee via the Quarterly Financial Digest and update reports, when necessitated.

7.22 The Treasury Management Strategy for 2019-20, to be presented to Council for approval, will include detail on expenditure plans and the associated prudential indicators. Any amendments to the Strategy or Capital Programme will follow the Council's standard democratic arrangements and will be presented to Cabinet, Scrutiny and then Council in order to allow for a full debate of the proposals.

7.23 The development of capital investments beyond 2020 will ultimately be delivered by the new Authority, but it is hoped that it will be strong influenced by the legacy of Aylesbury Vale..

Finance and Services Scrutiny Committee
14 January 2019

PUBLIC SECTOR EQUALITY DUTY

1 Purpose

1.1 This report provides an assessment of the Council's performance against the Public Sector Equality Duty and meets the requirements of Regulation 2 of the Equality Act 2010 (Specific Duties) Regulations 2011.

2 Recommendations/for decision

2.1 The Scrutiny Committee is asked to consider the contents of the Report in Annex 1 and highlight any issues that it wishes Cabinet to consider prior to approving its publication (to meet the Council's Statutory Duty).

3 Supporting information

3.1 Section 149 of the Equality Act 2010, the Public Sector Equality Duty (PSED), came into force on the 5 April 2011. The objective behind the duty is to ensure that consideration of equality issues forms part of the routine, day-today decision making and operational delivery of the public authorities. In summary, it requires that the Council must, in the exercising of its functions, have due regard to the need to :

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited by or under the Equality Act
- Advance equality of opportunity between people who share a relevant protected characteristic and those who do not by :
    - Removing or minimising disadvantage that people in the protected groups suffer because its connected to that protected characteristic
    - Take steps to meet the needs of people from the protected group where these differ to those of other people
    - Encourage participation from protected groups in public life or other activity where their participation is disproportionally low
- Foster good relations between persons who share a relevant protected characteristic and those who do not by :
    - Tackling prejudice
    - Promoting understanding

3.2 The protected characteristics are age, disability, gender reassignment, marriage or civil partnership, pregnancy and maternity status, race, religion or belief, sex, sexual orientation.

3.3 The Equality Act 2010 (Specific Duties) Regulations 2011 came into force on the 10 Sept 2011. In summary they require the Council to :

- Prepare and publish one or more equality objectives. This is an ongoing requirement to be met within 4 years from the last date of publication (ie renewed every 4 years)
- Publish annually information to demonstrate its compliance with the general Equality Duty and this information must include :

- Information relating to persons who share relevant protected characteristic who are its employees and other persons affected by our policies and practise (such as service users)

3.4 Publish information in such a manner that it is accessible to the public, including within an other published document.

3.5 The Government Equality Office has states that these regulations are designed to ensure that public bodies are transparent about their compliance with the Equality Duty. And, that by publishing information about their equality performance and objectives, public bodies will be accountable to the people and communities they serve.

3.6 Attached in Annex 1 is the Equality Report 2018. The report includes information about the population of the district about our staff and what we have done in recent times to meet the duty.

4 Options considered

4.1 None – Statutory Requirement

5 Reasons for Recommendation

5.1 Comply with Statutory Duty

6 Resource implications

6.1 None

Contact Officer	Andy Barton - 01296 585430
Background Documents	None

Aylesbury Vale District Council

Equality Report

2018

Contents

Introduction

This document provides information about the work that Aylesbury Vale District Council has done over the last year to meet our equality duty. The Council aims to place equality and diversity at the heart of everything it does.

The Equality Act 2010 requires the Council to pay due regard to the way it can:

1. Eliminate discrimination, harassment, victimisation
2. Promote equality of opportunity for everyone
3. Encourage good relations between people of different backgrounds

These are called the three aims of the public sector duty.

These aims are supported by specific duties intended to improve performance on the above general duty. These specific duties require us to publish our equality objectives at least every four years and equality data annually, to show:

1. How the authority has paid due regard to the 3 aims of the public sector duty.
2. That the authority consciously thought about the 3 aims of the public sector duty in its decision making.
3. Data relating to our employees - we have over 150 employees within our organisation.
4. Information relating to people affected by our policies and service.

Section 1: Our Residents

Aylesbury Vale is situated 40 miles west of London and 65 miles south east of Birmingham. It is 350 square miles of leafy Buckinghamshire countryside. It is within an hour's drive of Heathrow, Gatwick, Luton and Stansted airports. It is also home to the world-famous National Spinal Injuries Centre at Stoke Mandeville hospital and is the birthplace of the Paralympic movement.

Population

There are just over 196,000 people living in Aylesbury Vale; making it the second largest non-metropolitan district in the country.

- We have slightly more women (51%) than men (49%) living in the district.
- 17% of our population are over 65 years of age, slightly less than the UK figure (18%).
- 19% of our population are under 15 years of age, slightly higher than the UK as a whole (18%)

The following information is taken from the 2011 Census.

Health and Disability

In 2011, almost nine out of every ten (86%) residents of Aylesbury Vale described themselves as being in good or very good health (81% in England and Wales). In 2011, 11% of residents described themselves as being of fair health with 3% and 1% describing themselves as being of bad or very bad health, respectively.

Nearly one in seven residents (14%) described themselves as having a long-term health problem or disability that limits their day-to-day activities, which had lasted, or was expected to last, at least 12 months - a 12% increase since 2001.[1]

Religion

Those affiliated with the Christian religion remained the largest group; 62% of Aylesbury Vale (59% in England and Wales). However, the number of residents who stated that their religion was Christian in 2011 was fewer than in 2001. This followed the national trend; the size of this group decreased by 12% to 62% of the Aylesbury Vale population in 2011, down from 74% in 2001. Nationally for England and Wales, the size of the Christian group decreased 13 percentage points to 59% in 2011, down from 72% in 2001.

The size of the group who stated that they had no religious affiliation has increased by 71% since 2001, from 16% in 2001 to 26% in 2011. There was a 25% increase in this group for England and Wales.

Other religions accounted for 6% of the Aylesbury Vale population in 2011. The largest group being those who stated they were of the Muslim religion (4%). Those who did not state a religion accounted for 7%.

Ethnic Group

In 2011, most residents of Aylesbury Vale belonged to the White ethnic group (90%), having decreased from 94% of the population in 2001. Nationally in England and Wales in 2011, most

[1] In 2011 this question was structured differently to 2001 and therefore can only be considered as broadly comparable between Census years

residents belonged to the White ethnic group (86%).

The Non-White Ethnic Group population increased by 83% in Aylesbury Vale and accounts for 10% of the population. In the non-white resident population, 2.2% were of Mixed or Multiple ethnic groups, 5.8% were from the Asian or Asian British (including Chinese) group, 1.9% were from the Black or Black British group and a further 0.4% were from Other ethnic groups (including Arabs in 2011, but not including Chinese in 2001 or 2011).

In 2011, within Aylesbury Vale 10% of households (12% in England and Wales) had partners or household members of different ethnic groups, a 51% increase since 2001.

Usual residents born outside of the UK

In 2011, 11% of Aylesbury Vale residents stated they were born outside of the UK, with just under half (44%), arriving in the last 10 years (4.7% of Aylesbury Vale's population). This is similar to England and Wales, where just over 13% of residents were born outside of the UK with just over half arriving in the last 10 years.

The nine most reported countries of birth of foreign born, usual residents for Aylesbury Vale, account for just over half of all residents born outside of the UK (51%). The most reported countries of birth for Aylesbury Vale are: Pakistan (1.3%), India (0.7%), Poland (0.7%), Ireland (0.7%), South Africa (0.5%), Germany (0.5%), the Caribbean (0.4%), United States (0.3%), South-East Asia excluding the Philippines (0.4%), and all other countries of birth (excluding the UK) 5.3%.

Household language

The 2011 Census collected information for the first time on main language and English language skills. In 2011, all usual residents in 94% of households spoke English as a main or preferred language. This is slightly higher than the average for England and Wales at 91%.

In 3.4% of households, at least one adult (16+) spoke English as their main or preferred language and in 0.5% of households no adults, but at least one child, spoke English as a main or preferred language. In the remaining 2.2% of households there were no residents who had English as a main or preferred language. It should be noted these statistics cannot be taken as a measure of English speaking proficiency, but as a resident's preferred or main language.

Sexual Orientation

Questions on sexual orientation were not included in the 2011 census so figures for Aylesbury Vale are not available. The Office for National Statistics has produced figures for sexual orientation from its 2016 Annual Population Survey for the UK as a whole.

- In 2016, 2% of the UK population aged 16 and over identified themselves as lesbian, gay or bisexual (LGB).
- More males (2.3%) than females (1.6%) identified themselves as LGB in 2016.
- The population who identified as LGB in 2016 were most likely to be single, never married or civil partnered, at 70.7%.
- The population aged 16 to 24 were the age group most likely to identify as LGB in 2016 (4.1%).
- Around 0.8% of adults identified themselves as bisexual, with women (0.9%) being more likely than men to do so (0.6%).
- London had the highest percentage of adults identifying themselves as LGB at 2.7%, while 2.1% of adults identified themselves as LGB in the South East.

Section 2: Our Staff

The AVDC Commercial Change programme, which reviewed all departments with the intent to ensure our employees display the behaviours required for a more financially stably future, closed in Summer 2017.

Establishment

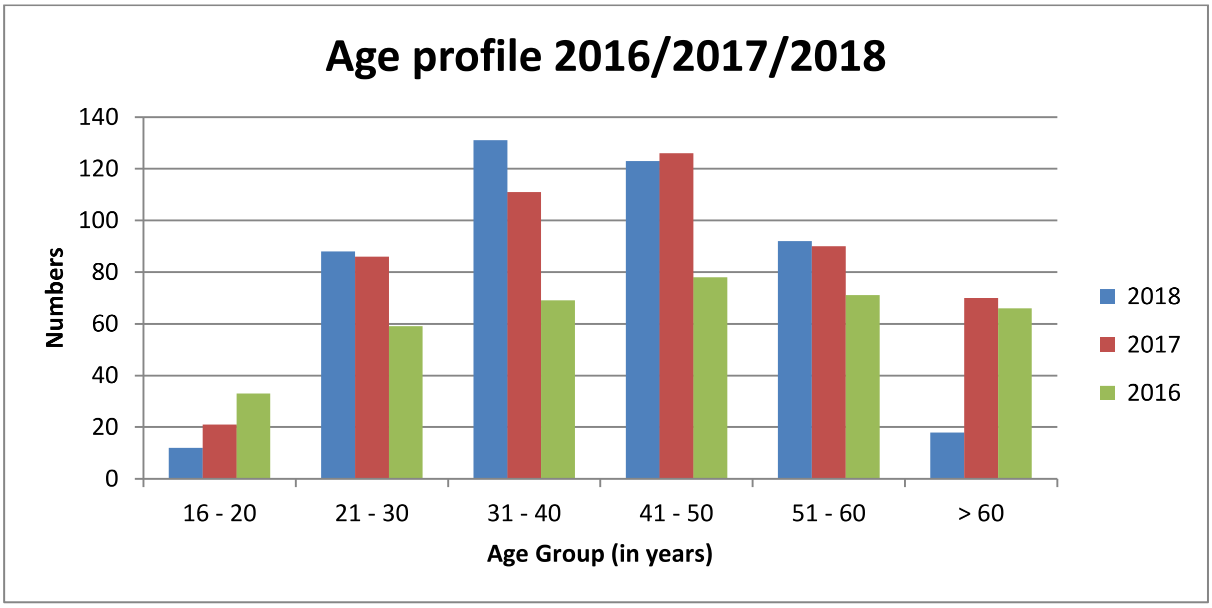
As of 31 March 2018, AVDC employed 466 people (439 last year), an increase of 27 people over the year. Additionally, over the last year Full Time Equivalent (FTE) posts increased from 421 to 467. All figures in this report cover only contracted staff. Casual workers, agency staff, apprentices, volunteers and members are not included in this report.

Flexible Working

The number of people working full-time increased from 360 to 394, whilst the number of part-time employees reduced from 79 to 61. Part-time working accounts for 13% of the workforce.

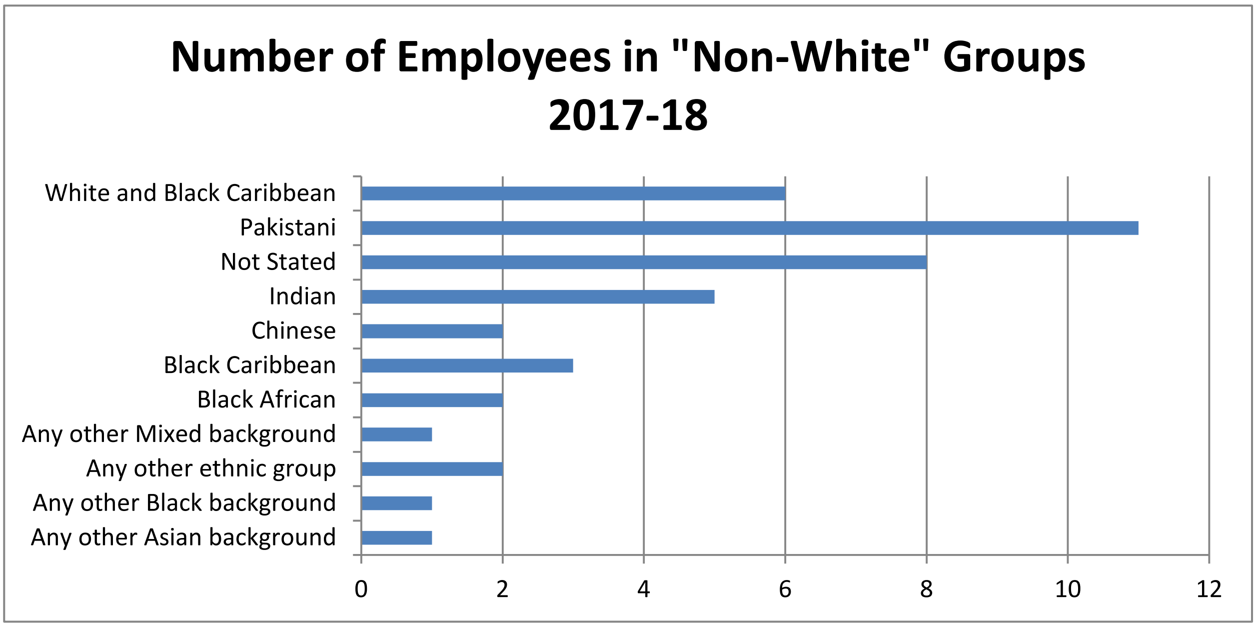
Age Profile

The March 2018 figures would seem to indicate the impact of the Commercial AVDC change programme, specifically a churn of approximately one third of staff. There was a continued rise in the age categories 21-30 and 31-40, and a significant reduction in the 60+ age group.



Ethnicity

In March 2018, there were 58 employees who did not state their ethnicity, of the remaining 408 employees, 343 (89.7%) white British, white other or white Irish. The remaining 10.3% of the workforce have defined themselves to be from one or other of various recognised minority ethnic groups shown below.



The 2011 Census indicates that White British made up 85.2% of the local Aylesbury Vale population, with the national (English) average at 79.8%. The broader "white group" (White, White Other and White Irish) nationally makes up 89.7% of the community; the same as AVDC employees who declared their ethnicity.

Disability

At 31 March 2018, there were 16 employees (15 in 2017) who considered themselves to have a disability under the provisions of The Equalities Act 2010, which represents 3.4% of the workforce. This may be related to the workforce age profile changing since initiation of the Commercial AVDC change programme.

As at 31st March	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Percentage	4.6%	4.3%	4.3%	4.5%	4.2%	3.6%	3.1%	3.4%	3.4%	3.4%

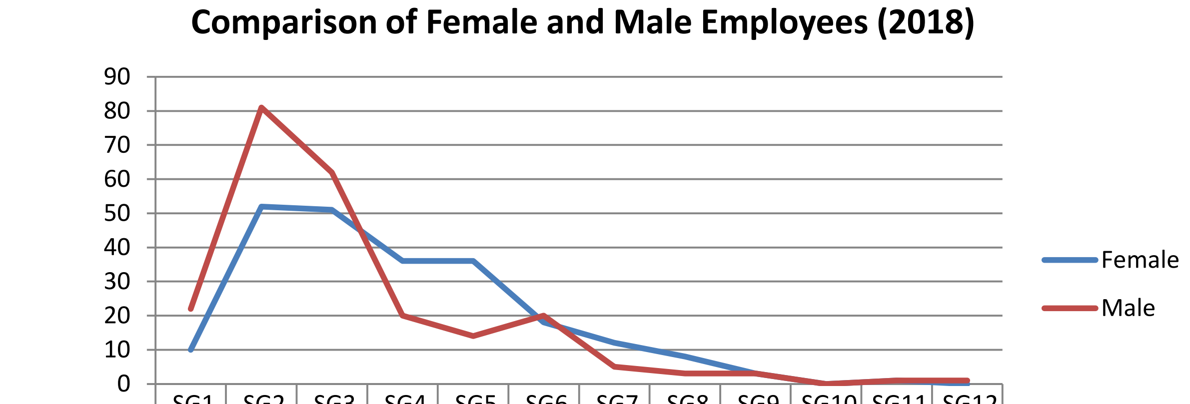
Gender

At 31 March 2018, the Council employed 466 people, of which 232 (49.8%) were female and 234 (50.2%) were male. This is comparative to last year and reflects an even distribution of leavers with the previous 12 months.

AVDC has a 50:50 gender profile, which can fluctuate, but as can be seen from the following chart for 2018, generally there were more males in the lower grades (SG1-SG3), and more females in both the central bands (SG4-SG5), almost parity exists at the start of the senior bands (SG6) and the more senior roles (SG7-SG8).

AVDC published its first Equal Pay report in 2017 and will do so again in 2018 and that report will provide greater granularity around gender differentiation.

The very high proportion of males at the lowest grade are employed within Recycling and Waste and reflects an inability to attract a significant number of females in the roles of Loader and Driver.



	SG1	SG2	SG3	SG4	SG5	SG6	SG7	SG8	SG9	SG10	SG11	SG12
Female	10	52	51	36	36	18	12	8	3	0	1	0
Male	22	81	62	20	14	20	5	3	3	0	1	1

Training

We run a number of training and awareness sessions for staff which address the equalities duties and responsibilities of the Council covering topics such as disability awareness, hate crimes, and customer handling. The most directly relevant of these are set out below. Due to these being largely new modules there is only data for around a quarter of a year at the time of writing this report (note - depot staff are trained in a different way to the office based staff and hence are excluded from the figures below).

Hate crime E-Learning:

- 149 staff have completed the E-Learning or 37% of the organisation

Equality Act 2010 E-Learning

- 68 people have completed or 17% of the organisation

Equality in the Workplace

- 66 people have completed or 16% of the organisation

Section 3: Our Equalities Activity

Set out below are a number of examples of how we are complying with the Duty, but moreover, are working to ensure that all our customers are able to use our services on an equal basis.

Information and Data Sharing

- The increased corporate use of Census and Health Inequality Data
- An on-going corporate project focusing on Business Intelligence and Customer Insight.
- There are currently various pilot schemes taking place. The objective is to map all available data sources, and we have launched our new Information Management Strategy
- A Bucks wide Data sharing agreement is in place. Individual agreements are in place between specific partners.

Equality Impact Assessments(EIA)

- Use of a Corporate Guidance/toolkit for Equality Impact Assessments.
- EIAs prepared for all major projects. Findings are shared where they are completed and mitigating actions identified as appropriate.
- EIAs have been used to assess community needs and impact before removal of some AVDC services through the Commercial Programme
- Equality analysis and impact assessment has informed decision-making and facilitated different, tailored services that have improved outcomes in various services
- EIAs are a routine part of the project management approach

Community Engagement

- Various engagement activities have been held in different venues and they have been designed to encourage everyone to participate.
- We offer variations to standard services for people with protected characteristics e.g. assisted and clinical waste collection services. We offer an assisted collection for the for the disabled or the elderly and short-term arrangements for the other groups e.g. pregnancy/recovering from operations
- We are aware of different communities and their different needs and is evidenced by different collection methods, e.g. bags, bins as appropriate
- In collaboration with local police, we are attending meetings for sensory disability communities to raise awareness of disability hate crime. The same applies to religious communities; we are hosting a religious leaders forum (discussing religious hate crime) and engaging with the LGBT community.
- Staff training to take place for general disability awareness
- We organise ladies only swimming and have expanded this to offer an additional beginners ladies only swimming session address gender and religious equality issues.
- We continue to deliver our weekly dance sessions and weekly activity/swimming sessions for young people with disabilities.

- We have designed leaflets/posters/communications/events to promote positive relations. e.g. Play in the park
- We engage communities through events, consultations, public meetings etc.
- IAG's have been held in people's own environment/venues where possible. When using AVDC venues we have ensured that these are inclusive venues (hearing aid, light adjustments etc) e.g. Paralympic Flame celebration.
- Following an enquiry about provision of a palantypist or speech to text writer, to translate meetings in real time, we are investigating the need to provide this in the future.
- We are aware that vulnerable people/communities are participating more in events e.g. Schools in CSE awareness projects, Women's group linking with Women's Aid/TVP, Supporting disability (BuDS) projects, Local Conversation initiative in Southcourt and HCN
- Adult Learning (BCC) have encouraged our elderly community to be more familiar with online engagement platforms
- We organised the Paralympic Heritage Flame Lighting event, which took place on 1 March 2018, at Stoke Mandeville Stadium.
- The Aylesbury Vale Times is now available in large print or CD (on request)
- We are also aware that protected groups are participating across a wider range of specific activities. e.g. solid wall insulation activities within the Asian community
- Our Alexa skill has been well received by a number of blind users of our services, and we have extended this to include 'Find my bin day'.
- Our Chat service has been welcomed by some deaf users of our services as a way they can access our services on a more equal footing.