

# Scrutiny Committee Agenda



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A meeting of the  
**Scrutiny Committee**  
will be held on Thursday, 24 September 2015  
at 7.00 pm  
135 Eastern Avenue, Milton Park, Milton, OX14 4SB

## Members of the Committee:

### Councillors

Judy Roberts (Chairman)  
Alice Badcock (Vice-chairman)  
Edward Blagrove  
Katie Finch  
Debby Hallett

Vicky Jenkins  
Monica Lovatt  
Ben Mabbett  
Chris Palmer

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A handwritten signature in cursive script, appearing to read "M Reed".

Margaret Reed  
Head of Legal and Democratic Services

# Agenda

## Open to the Public including the Press

### Council's Vision

The council's vision is to take care of your interests across the Vale with enterprise, energy and efficiency.

#### **1. Notification of substitutes and apologies for absence**

To record the attendance of substitute members, if any, who have been authorised to attend in accordance with the provisions of standing order 17(1), with notification having been given to the proper officer before the start of the meeting and to receive apologies for absence.

#### **2. Minutes and actions arising and referral**

(Pages 4 - 10)

To agree and sign the minutes of the meeting held on 20 August 2015

#### **Matters arising:**

Sovereign Vale Housing Association  
Council Tax Reduction Scheme sample correspondence  
Homelessness strategy 2015 - 2020

#### **Referrals made to other bodies:**

None, leader of the council was present at meeting to discuss Oxford's unmet housing need and had taken comments into account.

#### **3. Declarations of interest**

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

#### **4. Urgent business and chairman's announcements**

To receive notification of any matters, which the chairman determines, should be considered as urgent business and the special circumstances, which have made the matters urgent, and to receive any announcements from the chairman.

#### **5. Statements, petitions and questions from the public relating to matters affecting the Scrutiny Committee**

Any statements and/or petitions from the public under standing order 32 will be made or presented at the meeting.

**6. Work schedule and dates for all South and Vale scrutiny meetings**  
(Pages 11 - 12)

To note.

**REPORTS AND ISSUES FOR THE CONSIDERATION OF THE SCRUTINY COMMITTEE**

**7. Financial Outturn 2014/2015**  
(Pages 13 - 34)

To receive the report of the head of finance.

**8. Annual review of The Beacon, Wantage**  
(Pages 35 - 43)

To receive the report of head of economy, leisure and property

**Exempt information under Section 100A(4) of the Local Government Act 1972**

None.

# Minutes

of a meeting of the

## Scrutiny Committee

held on Thursday, 20 August 2015 at 6.30 pm

at the The Ridgeway, The Beacon, Portway, Wantage, OX12 9BY



**Open to the public, including the press**

### Present:

Members: Councillors Judy Roberts (Chair), Alice Badcock (Vice-Chairman), Ed Blagrove, Katie Finch, Debby Hallett, Vicky Jenkins, Monica Lovatt and Chris Palmer

Officers: Adrian Duffield, Anna Robinson and Ron Schrieber

Also present: Councillor Matt Barber, Leader of the Council and Cabinet member for finance, economic development and property

Number of members of the public: 10

### Sc.1 Notification of substitutes and apologies for absence

Apologies were received from Councillor Ben Mabbett.

### Sc.2 Minutes

The minutes of the meeting held on 26 March 2015 were agreed as a correct record and were signed by the Chairman as such.

### Matters arising

Sc.214: The Chairman reported that the former Chairman had handed over to her his correspondence with the Chief Executive of Sovereign Housing Association. It was agreed that the Chief Executive be invited to the next meeting to report on the housing association's arrangements with the Council.

Sc.217: A member asked whether sample correspondence regarding the council tax reduction scheme had been circulated, as agreed at the last meeting. Officers agreed to check and, if this had not been done, to circulate the correspondence as soon as possible.

Sc.218: The Strategic Director reported that the draft Homelessness Strategy 2015-2020 had been sent out for consultation and the response had been extremely positive. The priority was to publish the approved Strategy as soon as possible and, accordingly, it would not now be going to Joint Scrutiny Committee in October.

### Sc.3 Declarations of interest

None.

## Sc.4 Urgent business and chairman's announcements

None

## Sc.5 Statements, petitions and questions from the public relating to matters affecting the Scrutiny Committee

The Committee received three requests to address the meeting.

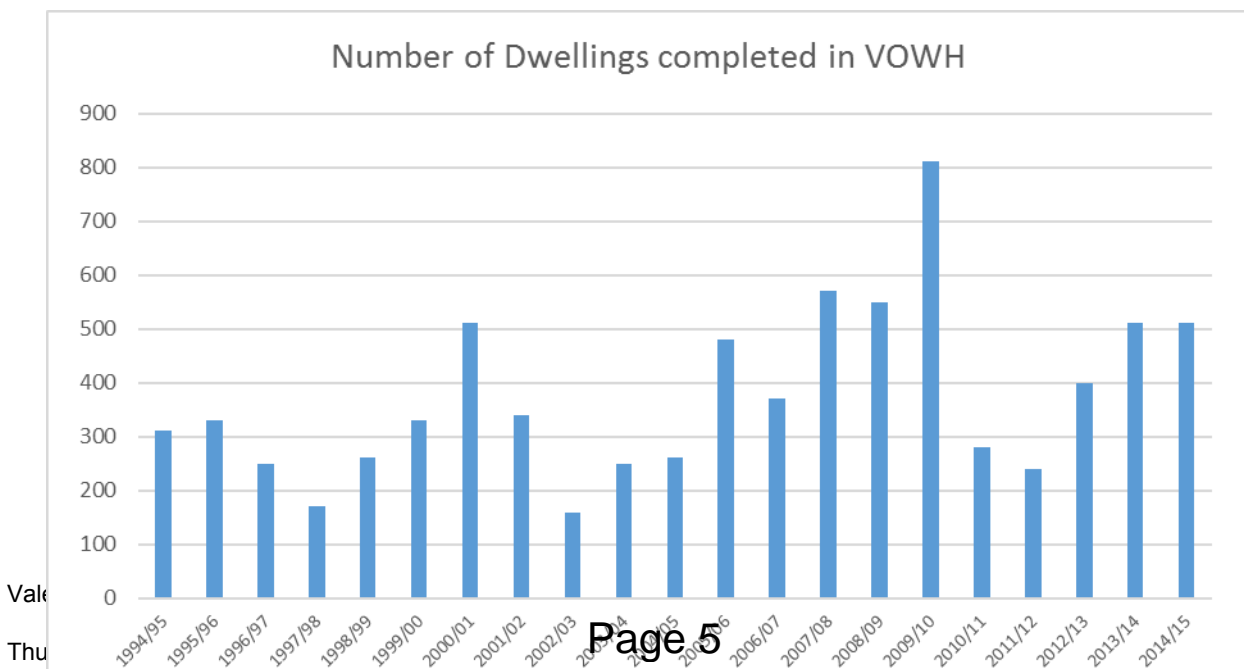
1 Julie Mabberley made a statement on behalf of the Wantage and Grove Campaign Group as follows:

“We note that the District Council appears to be agreeing not only that Oxford City will have an unmet housing need but that the Vale has the capacity to take it.

We would remind the Scrutiny Committee that next month the Inspector will examine the need for housing of 20,560 new dwellings as set out in Local Plan Part 1, and is questioning if the figures are soundly based and supported by robust and credible evidence.

We dispute the SHMA figures and would ask that the SHMA be revisited in the light of new evidence. In particular:

1. The evidence provided by West Oxfordshire Council in their recent Housing Position Statement.
2. The evidence provided by government statistics which show that employment in the Vale of the White Horse has actually decreased between 2001 and 2015.
3. The evidence that population growth in the Vale since 2001 is only 0.6% per annum but almost entirely in the over 65 age group.
4. The evidence that the maximum number of dwellings completed in the Vale of the White Horse in any year since 1994 is 810 and the average over the last 20 years is 402 per year yet the SHMA requires an average of 1028 – more than 250% of the average over the last 20 years (without any addition from Oxford).



Even after the housing need assessed in the SHMA has been revisited, the Council has a duty to ensure that the need can be met in accordance with the objectives of the NPPF.

This means that any new developments to meet the housing need in the Vale must be sustainable with:

- increased traffic congestion on roads already admitted to be over 95% capacity,
- increased carbon emissions counter to the EU requirements,
- reductions in emergency services (evidenced by the articles in the Herald this week about reductions in police services and a 2½ wait for an emergency ambulance in Wantage)
- an existing and projected shortage of school places
- reductions in public transport and
- no increase in net employment to date.

You must also be able to provide evidence that this growth in housing can be achieved with:

- Sufficient construction workers and materials when similar targets are being imposed all around the country,
- Sufficient employment opportunities forthcoming to provide the demand,
- Sufficient key infrastructure (schools, medical facilities, leisure facilities, public transport etc.) provided in a timely manner to make the new dwellings attractive to buyers,
- Sufficient profits generated for developers to encourage them to continue building at this rate, and
- Incomes sufficient to make the dwellings affordable.

**We do not believe that the Vale has the capacity to absorb the level of housing need included in Local Plan Part 1 and believe that your plan has already defined a number of homes required each year which exceeds anything which can be achieved in the District.**

**As the NPPF requires a presumption in favour of development wherever the 5 year land supply is not being achieved, the acceptance of these figures as the basis of the Local Plan means that the land supply will never be achieved.**

**We therefore believe that you should be questioning the ability of the Council to accept any additional housing need and not simply discussing where these additional dwellings will be placed.**

In summary, the NPPF places a requirement on the Council to review the housing need if circumstances change – we believe the evidence exists to justify:

- a review of the figures in the SHMA and
- a review of the ability of the District to absorb this scale of development within the timescale.

This should be performed before any agreement to take the excess requirement from Oxford City is considered.”

2 Joyce Hutchinson made a statement on behalf of the Wantage and Grove Campaign Group in which she expressed the view that this area did not have the capacity to absorb the level of additional housing proposed for the following reasons:

Vale of White Horse District Council – Scrutiny Committee minutes

- there was a need for more outdoor play space in Wantage;
- existing bus services from Wantage to Oxford were infrequent and inadequate;
- there had been little increase in employment since 2001;
- King Alfred secondary school would be full by 2017 and there was no prospect of a new secondary school being built in the near future;
- primary schools in the area were full;
- the A338 and A420 were already close to capacity and there were no improvements planned;
- Wantage had lost key infrastructure e.g. emergency services, medical facilities etc.

3 Colin Thomas made a statement on behalf of the Sunningwell Parishioners Against Damage to the Environment (SPADE) as follows:

“SPADE is an established campaigning group, which for over a decade, has responded to strategic planning processes, at local, district, and county level, with, and on behalf of the residents of Sunningwell Parish, and today, also on behalf of Sunningwell Parish Council.

- We believe in the **permanence** of the Green Belt
- We accept the need for housing developments and infrastructure, but believe that brown field sites should be used before green field, and certainly before long established and highly valued Green Belt
- We consider that local people should have a strong voice in establishing planning policy.

We reiterate our earlier address to Cabinet on Oxford’s unmet housing need, particularly,

- the need to co-locate housing with jobs, i.e. in East Oxford, and
- applauding the Vale’s demand that Oxford City revise its Plan to make a sound assessment of housing capacity.

Before addressing the Cabinet Paper there are 2 overarching points:-

1. Firstly, remember that in addition to the 1,510 houses in North Abingdon, Radley and Kennington in your own Local Plan, the Green Belt in North Abingdon also faces huge incursions from the County Council Local Transport Plan. These include the 4-way junction, 1,600 space Park and Ride, 100 space Lorry Park, Lorry driver facilities, Freight Transfer Station, and a strategic link road between the A34 and M40

2. Secondly, the Vale Plan, **despite being based on the disputed SHMA1 relies solely on the scale of development required to justify that “exceptional circumstances” exist allowing alteration to the Green Belt boundary.** The Inspector even before the examination has commenced, has asked the Vale to explain in detail their justification of “exceptional circumstances.” **It was unacceptable that the justification was omitted from the original Plan, never mind provided in sufficient time to be able to be considered in the Examination respondent’s written submissions.** We expect the justification (due tomorrow at the latest) will be published immediately so all parties have a chance to scrutinise it before the Examination Stage 1 hearings. **Failure to do so will demonstrate contempt for all those who are genuinely engaged in the Local Planning process.**

Turning to the Cabinet paper. Whilst Cllr Barber said that no decisions on locations for Oxford’s unmet need have been made, clearly the preliminary assessment of pros and cons in the report favours the Abingdon and Oxford fringe sub-area. SPADE considers the assessment’s methodology unsound, its content misleading and the development constraints unrecognised.

Most of the area is Green Belt. Cabinet appear to be relying on the Inspector agreeing that the “exceptional circumstances” threshold has been met to then justify that any or all of the further 3,000 houses could be built in the green belt. **If the Inspector rejects the “exceptional circumstances” argument to build the initial 1,510, never mind the further 3,000, the Vale’s position on meeting Oxford’s needs becomes untenable.**

Even if the test is met, development beyond the 1,510 houses in the North Abingdon area, as is implied by the Cabinet Paper, is unfeasible. The Vale Plan Sustainability Assessment<sup>2</sup> recognises, that the existing proposals produce a negative cumulative effect due to traffic growth on the A34, recognising the A34 is operating over capacity. Adding 3,000 houses in North Abingdon will exacerbate things to a point **which makes the A34 a permanent, as opposed to a part time car park**, and the housing unsustainable.

The Local Plan changes open countryside, protected by Green Belt status, to a major urban extension. Further development meeting Oxford’s needs around Lodge Hill should be robustly opposed as it is unsustainable and creates coalescence of settlements which the Green Belt was designed to prevent. **It should not be used as a reverse-engineered cash cow to provide infrastructure funding for the Local Plan or the Transport Plan.**

Whilst Cabinet are apparently withdrawing support for the Green Belt, we trust that you will accept that they will fail to demonstrate the “exceptional circumstances” argument and urge them to adopt policies outlined in the NPPF and positively support the Green Belt.

**Now is the time to protect Green Belt - not to make empty statements of apparent support whilst planning for its obliteration in North Abingdon.”**

## **Sc.6 Planning to address Oxford unmet housing need in Vale of White Horse**

The Committee considered an approach, as set out in the head of planning’s report to Cabinet on 7 August to address the Council’s share of any unmet housing need arising from elsewhere in Oxfordshire. Although Cabinet had been minded to endorse the report’s proposals it had invited the Scrutiny Committee’s views following which the Leader (in the absence of the Cabinet member for planning policy) would be making an individual Cabinet member decision.

Accordingly the Leader and the head of planning attended to introduce the report and answer members’ questions.

The Leader thanked the members of the public for their comments (Sc.5 above refers) and stated that the purpose of the report was to set out a high level approach to address Oxford City’s unmet housing need, once defined and justified and to begin planning for the likelihood that some additional housing might need to be accommodated in the Vale of White Horse. Accordingly, it was sensible to begin planning now whilst recognising that the quantity of unmet housing need had yet to be quantified, based on evidence.

The head of planning reported that, following the recent Court of Appeal judgement, the reference to affordable housing provision in paragraph 15 (i) of the report no longer applied. However this would have no significant impact on the other figures in the report.

The Leader reported Cabinet’s view that the most appropriate way to determine the correct level of unmet housing need was for Oxford City to review its local plan. Following the motion passed at the Council meeting on 16 July 2015, the Leader had written to the



Secretary of State for Communities and Local Government asking him to intervene and compel Oxford City to review its local plan. To date there had been no response.

In response to questions regarding Oxford City, the Leader expressed the following views:

- Oxford City had allocated too much land for economic development and not enough for housing;
- there were other brownfield sites that could be released for housing within the City;
- Oxford City had identified capacity for 10,000 new homes for the period up to 2031 whereas Cherwell, South Oxfordshire and the Vale of White Horse District Councils had commissioned a study which indicated that Oxford had capacity for 16,000 homes over the same period.
- Oxford City had the same obligation as the other Oxfordshire districts to co-operate. However, without an examination of their new local plan it could not be compelled to take further action without the Secretary of State intervening. Although the Leader considered the City's local plan to be out of date, it would not expire until 2026.

The report proposed that in considering unmet housing need, the Council should also consider how options accord with the spatial strategy set out in the Vale Local Plan Part1 (LPP1. It suggested that the starting point should be the three sub-areas as defined in Core Policy 3 of LPP1:

- i. Abingdon-on-Thames and the Oxford Fringe Sub-Area
- ii. South East Vale Sub-Area
- iii. Western Vale Sub-Area

Members considered the preliminary assessment of these three areas set out in the report and suggested the following amendments:

Spatial Area 1 Abingdon-on-Thames and the Oxford Fringe Sub-Area

- Under "Cons" add reference to A34 at or over capacity as stated for Spatial Area 2.
- Under "Scale considerations" insert "some" between "to address" and "unmet need"

Spatial Area 3 Western Vale Sub-Area

- Under "Cons", add Shrivenham and Watchfield to the settlements which already have significant growth allocated.

In response to other questions and comments, the Leader reported that:

- The best place for any additional housing in the Vale of White Horse was not necessarily in the areas closest to Oxford. Paragraph 17 of the report referred to key principles in the County Council's consultant's brief and the need to locate homes where there were strong existing or potential links with Oxford.
- It was not possible to say at this stage whether any of Oxford's unmet housing need would have to be added to the Vale's own housing requirement. In the Leader's opinion, Oxford City's unmet need would need to be addressed towards the end of the Strategic Housing Market Assessment (SHMA) period of 2011-2031.
- A new settlement such as a garden city might be an option if it were considered appropriate.
- The Cabinet was aware of concerns about perceived threats to the Green Belt and Areas of Outstanding Natural Beauty. However, it was also aware of the impact of additional housing, on schools, transport and other infrastructure.
- It would be necessary to consider the impact of any additional unmet housing need on the Council's five year housing land supply.

- Any review of the Green Belt would be subject to public consultation.
- He had written to the Secretary of State on 20 July seeking government intervention to compel Oxford City to review its local plan.

The Leader thanked the Committee for its constructive comments and suggestions and undertook to consider changes to the wording in the light of these, prior to making his decision.

The Committee thanked the Leader and head of planning for their contributions.

RESOLVED:

- a) to note the report; and
- b) to request the Leader to take the suggested amendments and views expressed by the Committee into account when making his decision.

### **Sc.7 Schedule for Scrutiny Committees 2015/16**

The Committee reviewed its work programme and agreed that an updated Section 106 planning obligations monitoring report should be submitted to the Committee in the autumn.

The meeting closed at 8.25 pm

## Schedule for Scrutiny Committees 2015/16

(further items to be added to schedule as required)

Meeting date and venue	Type and chair	Agenda items	Cabinet members	Strategic director
22 September Milton Park 6.30	<b>South</b>	-Financial outturn to March 2015 -Street cleansing payments	<b>Cabinet members:</b> Jane Murphy Tony Harbour	
Thurs 24 September Milton Park 7.00	<b>Vale</b>	-Financial outturn to March 2015 - Review of the Beacon	<b>Cabinet members:</b> Matt Barber Charlotte Dickson	
Thurs 22 October Milton Park 6.30	<b>Joint - Richard</b>	-Review of Capita	<b>Cabinet members:</b> Jane Murphy (South) Matt Barber (Vale)  No equivalent South meeting	
Tues 24 November Milton Park 6.30	<b>Joint - Judy</b>	-Corporate services contract: tender evaluation results	<b>Cabinet Members:</b> Matt Barber (Vale) Lynn Lloyd (South)  Replaces 24 Nov at South and 26 Nov at Vale	<b>SB</b>
Thurs 7 January Milton Park	<b>Vale</b>		<b>Rescheduled to 21 January</b>	
21 January Milton Park 6.30	<b>Joint - Richard</b>	Corporate Services Strategy, Award of Tender	<b>Cabinet Members</b> John Cotton & Lynn Lloyd (South) Matt Barber (Vale)	<b>SB</b>
Tues 9 February Milton Park 6.30	<b>South</b>	-Revenue budget and capital programme -Local plan progress report: issues and options -CIL review?	<b>Cabinet members:</b> Jane Murphy Elizabeth Gillespie	
Thurs 11 February Milton Park 7.00	<b>Vale</b>	-Revenue budget and capital programme Leisure Provision Strategy	<b>Cabinet members:</b> Matt Barber Charlotte Dickson	
Thurs 10 March Milton Park 6.30	<b>Joint - Judy</b>	Community Safety Partnership Biffa Sodexo Temporary Accommodation Strategy	<b>Cabinet members:</b> Sandy Lovatt (Vale) Anna Badcock (South) Roger Cox (Vale) Elizabeth Gillespie (South)	
Tues 12 April Milton Park 6.30	<b>South</b>			
Thurs 14 April Beacon 7.00	<b>Vale</b>	Review of Wantage Independent Advice Centre &	<b>Cabinet member:</b> Matt Barber	

		S & V CAB, prior to grant award		
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Review of CAB & WIAC South/Vale

Local Plan report Vale

Review of GLL after April 2016

*All South district and Joint scrutiny meetings will start at 6.30, Vale district meetings start at 7.00.*

# Scrutiny Report



Report of Head of Finance

Author: Simon Hewings

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Wards affected: All

Cabinet member responsible: Matthew Barber

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To: Scrutiny

DATE: 24 September 2015

## Financial outturn 2014/15

### Recommendation(s)

Scrutiny committee is recommended to note the overall outturn position of the council as well as the outturn of individual service areas.

**NOTE: If committee members wish to raise specific questions please send these in advance if possible to either the democratic services officer or the accountancy manager. Please be aware that if questions are not submitted in advance, it may not be possible to answer these in detail at the meeting. In addition, if committee members wish specific heads of service to attend the meeting this should also be raised in advance.**

### Purpose of Report

1. To report the final year end position for revenue and capital expenditure against budget for the financial year 2014/15.

### Strategic Objectives

2. The council has a strategic objective of effective management of resources. Monitoring actual performance against budget ensures that expenditure continues to be in accordance with the delegated powers within the constitution, and that changes in circumstances which have affected spending requirements are recognised and can be considered in the preparation of future years' budgets.

### Background

3. The attached papers contain summarised schedules of revenue and capital expenditure for 2014/15; they also present an explanation of the significant variances

against budget. This is presented by service, and follows the format of the budget monitoring reports produced during the year.

4. This report was presented to Cabinet briefing on 21 August and provided the opportunity for cabinet to discuss the outturn with senior management, and also for individual portfolio holders to further discuss with their heads of service.

## **Revenue outturn 2014/15**

5. In February 2014 the council approved a net expenditure budget of £11.8 million. This increased to £12.0 million as a result of budget carry forwards. The net expenditure at year end was £10.4 million – this equates to a variation of £1.6 million, which has been transferred to the council's reserves.
6. Appendix 1 analyses income and expenditure across the service areas. This appendix shows the expenditure budget was £49.0 million compared to an actual spend of £48.7 million resulting in an under spend of £0.3 million. This underspend is less than one per cent of total expenditure.
7. The income budget was £36.9 million compared to actual income of £38.2 million, giving an over achievement in income of £1.3 million.
8. Table 1 below summarises the outturn position by service. More detail of variances is shown at Appendix 2.

**Table 1: summary of revenue budgets and variance**

<b>Summary of revenue budgets and variances</b>	<b>Budget £000</b>	<b>Actual £000</b>	<b>Variance £000</b>	<b>Notes</b>
Strategic management board	796	540	(256)	
Corporate strategy	5,153	5,015	(138)	
Development and housing	576	95	(481)	
Economy leisure and property	(211)	(586)	(375)	
Finance	2,021	2,138	117	a
HR, IT and technical services	1,866	1,753	(113)	
Legal and democratic services	1,078	1,139	61	
Planning	1,163	747	(416)	
Contingency	(39)	0	39	
<b>Direct service expenditure</b>	<b>12,403</b>	<b>10,841</b>	<b>(1,562)</b>	
Investment income	(356)	(432)	(76)	b
<b>Net expenditure</b>	<b>12,047</b>	<b>10,409</b>	<b>(1,638)</b>	c

**Notes:**

- a. Finance line contains housing benefits and rent allowance funded by government grant as shown in table 2 below.

**Table 2: housing benefits and rent allowances**

	<b>Budget £000</b>	<b>Actual £000</b>	<b>Variance £000</b>
Rent allowance payments	28,580	28,585	5
Government grants benefits	(75)	(100)	(25)
Government grants income	(27,878)	(27,343)	535
Rent allowance overpayments recovered	(933)	(1,419)	(486)
<b>Net position</b>	<b>(306)</b>	<b>(277)</b>	<b>29</b>

- b. The council's treasury management outturn report will detail the performance on investment income. This will be considered by Joint Audit and Governance Committee on Monday 29 September before being presented to cabinet and council. Investment income is shown within finance line in Appendix 2.
- c. In addition to the net expenditure underspend £153,000 additional income was retained by the council against budget under the business rates retention scheme. This additional income primarily related to renewable energy.

**Capital**

9. The original capital budget for 2014/15 including growth was agreed in February 2014 at £8.4 million expenditure. Details of the changes to the capital programme in year are summarised in table 3 below:

**Table 3: movement on capital programme**

	<b>2014/15 £000</b>
Original capital budget	8,435
Roll forward from prior years	812
Additions in year (externally funded)	22
Additions in year (other) <sup>1</sup>	1,374
Slippage into future years	(5,480)
<b>Working budget 31 March 2015</b>	<b>5,163</b>
Made up of :	
Working budget	2,876
Contingency	2,287
<b>Capital programme 31 March 2015</b>	<b>5,163</b>

10. Capital expenditure for 2014/15 was £2.0 million. Detail of the variance of spend against the capital programme working budget is shown in appendix 3 to this report.
11. During the year, budget holders review their projects and identify those where delays mean that the current working budget will not be spent in year. The budget profile is then moved to reflect the new spend profile and budgets are slipped into future years if applicable. During the year £5.5 million was slipped in this way. A list of these schemes is shown in appendix 4.

### **Capital receipts<sup>2</sup>**

12. The original capital receipts budget for 2014/15 was agreed in February 2014 at £3.6 million. Towards the end of the year this increased to £4.9 million as a result of additional asset sales being progressed. Actual new capital receipts in year amounted to £167,000, mainly relating to easements over land and lease variations.
13. Market conditions, the council's need to access office accommodation for internal purposes and changes in property team priorities at the latter part of the year all played a role in delaying asset disposals. These are now expected to be completed in 2015/16.

### **Analysis of the revenue underspend**

14. The variations between budgeted and actual income and expenditure can be summarised in table 4 below.

<sup>1</sup> These schemes relate to the new leisure contract. In exchange for council funding the contractor pays the council management fees.

<sup>2</sup> Capital receipts exclude grants and contributions, they normally relate to disposal of assets.



**Table 4: summary of major variances against revenue budget**

	Total variance	Income variance		Expenditure variance				Under-spends c/fwd to 2015/16
		Grants and contributions	Other income	Employee costs	Supplies and services	Third party payments	Other gross expenditure	
		£000	£000	£000	£000	£000	£000	
Strategic management board	(256)	(3)	(1)	(66)	(186)	0	0	57
Corporate strategy	(138)	(40)	(14)	(31)	(34)	29	(48)	25
Development and housing	(481)	(540)	91	26	(53)	0	(5)	28
Economy leisure and property	(375)	(11)	(227)	(173)	70	(21)	(13)	195
Finance	117	391	(55)	(48)	89	214	(474)	0
HR, IT and technical	(113)	0	(139)	65	(106)	19	48	0
Legal and democratic services	61	9	(129)	(18)	192	0	7	33
Planning	(416)	(29)	(521)	16	101	0	17	49
Contingency	39			158			(119)	
<b>Direct service expenditure</b>	<b>(1,562)</b>	<b>(223)</b>	<b>(995)</b>	<b>(71)</b>	<b>73</b>	<b>241</b>	<b>(587)</b>	387
Investment income	(76)	0	(113)	0	0	0	37	0
<b>Net expenditure</b>	<b>(1,638)</b>	<b>(223)</b>	<b>(1,108)</b>	<b>(71)</b>	<b>73</b>	<b>241</b>	<b>(550)</b>	<b>387</b>
Working budget	12,047	(28,870)	(8,048)	8,895	4,111	5,967	29,992	
Percentage variance	(13.6)%	0.8%	13.8%	(0.8)%	1.8%	4.0%	(1.8)%	n/a

15. We have analysed the outturn position to identify cross-council explanations for the significant variation from budget, excluding a number of budgets that have a net zero impact on the council's bottom line and those relating to housing benefits and rent allowances detailed in table 2 above. The following key reasons for variances have been identified.

#### Over achievement of income budgets

16. The main reason for the net underspend is over achievement of income budgets by £1.3 million. Significant income variances are detailed in the following paragraphs.
17. The government awarded us a second tranche of capacity funding grant of £535,000 in the year. At the time the budget was set it was not clear that we would be eligible to receive this money and as such it was not budgeted. This grant is shown within development and housing, and will help accelerate housing growth across the Science Vale area of South and Vale. It will be held in reserves until it is required.
18. Other significant income variances are as follows:

- Planning income is £521,000 greater than budget due principally to receipt of major applications. Additional costs were incurred as a result of this which is

discussed in paragraph 22. In addition to this, a supplementary estimate has been recently approved to spend £138,000 each year for three years, starting from 2015/16 to increase resources to deal with the increased workload.

- Economy, leisure and property over achieved income by £227,000. This was due to property rental income being higher than anticipated. Also an increase in the new leisure contract management fee income was not known when the budget was set.
- HR, IT and technical services includes a recharge to Oxfordshire County Council for the use of Abbey House. The facilities element within this recharge was higher than budgeted.
- Legal and democratic includes taxi licensing income which exceeded budget by £40,000 due to greater demand for licenses than anticipated.

### **Underspends in employee budgets**

19. The under spend on employee costs was £71,000. Within services the under spends totalled £229,000 but the council budgets at 98 per cent of staff costs which, when taken into account, reduces this underspend to £71,000. It should be noted that the £173,000 underspend in economy, leisure and property relates mainly to delays progressing the Ridgeway leisure facility project which, as a one-off scheme, has been carried forward into 2015/16.

### **Overspends in supplies and services budgets**

20. There were a number of significant over and under spends in supplies and services across the council which totalled a net over spend of £73,000. The budget was £4,111,000 and this represents an over spend of just under two per cent. The main variances are detailed in the paragraphs below.
21. Legal and democratic services were £192,000 over budget. This includes an overspend on external legal fees and settlement of a claim regarding local land charges personal search fees and related legal costs.
22. Expenditure on consultants within planning was over spent by £165,000, due to the increase in planning applications as per paragraph 18. This was offset by under spends in other areas of supplies and services which totalled £64,000.
23. The £89,000 over spend in finance is primarily due to a charge for bad debt provision for housing benefit overpayments, for which no budget provision was made. The bad debt provision is assessed and amended annually at the end of each financial year.
24. Strategic management board were £187,000 under spent mainly on costs relating to the office accommodation project and the corporate services project. Of this, £57,000 for corporate services project has been carried forward into the next financial year.
25. HR, IT and technical were £106,000 under spent mainly due to the fire at Crowmarsh Gifford. Under spends related to premises rental costs, and IT projects being put on hold.

### **Over spend in third party payments**

26. There was an over spend of £241,000 on third party payments. Of this, £215,000 was in finance resulting from payments to the council's financial services contractor in respect of the pay and performance mechanism. This amount is unknown at the start of the year and is budgeted within contingency.

### **Under spend in other variances**

27. Other variances were under spent by £550,000. This was primarily in finance where rent allowance payments were under spent as discussed earlier in this report. In addition the general contingency budget was £119,000 under spent.

### **Comparison to previous year revenue outturn**

28. A comparison of the 2013/14 outturn to the 2014/15 revenue outturn is shown in table 5 below:

**Table 5: 2013/14 and 2014/15 revenue outturn**

	<b>2013/14 £000</b>	<b>2014/15 £000</b>
Income	(2,949)	(1,331)
Expenditure	579	(307)
<b>Net expenditure</b>	<b>(2,370)</b>	<b>(1,638)</b>

29. The majority of the under spend in both years relates to over achievement of income. In 2013/14, £750,000 of the income variance related to additional grant income for transformation challenge and capacity funding grants, which we were not aware of when the budget was set.
30. Due to tighter budget setting controls, and more accurate budgeting of planning, brown bin and temporary accommodation income, services have reduced the scale of over achievement of income.
31. The accuracy of the expenditure budgets has also improved, resulting in a swing from an over spend of £579,000 in 2013/14 to an under spend of £307,000 in 2014/15.

### **Financial, legal and any other implications**

32. The financial implications are as set out in the body of the report. There are no other implications of this report.

### **Conclusion**

33. The council has overachieved its gross income target and underspent on both revenue and capital for 2014/15, following the trends of recent years. The nature and reasons for these variances are detailed within this report and the appendices contained herein.

### **Appendices:**

1. Revenue outturn – expenditure and income variance

2. Revenue outturn – commentary on major variances
3. Capital outturn – summary and commentary
4. Capital outturn – slippage

## **Background Papers**

- Annual Statement of Accounts 2014/15 (currently being audited)
- Annual Budget papers for 2014/15

Service area	Expenditure			Income			Total		
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000
Strategic management board	858	606	(252)	(62)	(66)	(4)	796	540	(256)
Corporate strategy	6,973	6,889	(84)	(1,820)	(1,874)	(54)	5,153	5,015	(138)
Development and housing	934	902	(32)	(358)	(807)	(449)	576	95	(481)
Economy, leisure and property	1,733	1,596	(137)	(1,944)	(2,182)	(238)	(211)	(586)	(375)
Finance	30,892	30,673	(219)	(28,871)	(28,535)	336	2,021	2,138	117
HR, IT and technical services	3,097	3,123	26	(1,231)	(1,370)	(139)	1,866	1,753	(113)
Legal	1,704	1,885	181	(626)	(746)	(120)	1,078	1,139	61
Planning	2,812	2,946	134	(1,649)	(2,199)	(550)	1,163	747	(416)
Contingency	(39)	0	39				(39)	0	39
<b>Direct service expenditure</b>	<b>48,964</b>	<b>48,620</b>	<b>(344)</b>	<b>(36,561)</b>	<b>(37,779)</b>	<b>(1,218)</b>	<b>12,403</b>	<b>10,841</b>	<b>(1,562)</b>
Investment income	0	37	37	(356)	(469)	(113)	(356)	(432)	(76)
<b>Net expenditure</b>	<b>48,964</b>	<b>48,657</b>	<b>(307)</b>	<b>(36,917)</b>	<b>(38,248)</b>	<b>(1,331)</b>	<b>12,047</b>	<b>10,409</b>	<b>(1,638)</b>
Percentage variance			(0.63)			3.61			(13.60)

## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
Corporate Management Team	796,194	539,675	(256,519)		796,194	745,487	(205,812)	
Corporate Strategy	5,153,444	5,015,012	(138,432)		5,153,444	5,006,834	8,178	
Development & Housing	575,540	95,084	(480,456)		575,540	663,968	(568,884)	
Economy Leisure & Property	(210,952)	(586,086)	(375,134)		(210,952)	(1,059,608)	473,522	
Investment income (treasury)	(355,500)	(431,576)	(76,076)		(355,500)	(355,500)	(76,076)	
Finance	2,020,558	2,138,178	117,620		2,020,558	1,939,160	199,018	
HR IT & Technical	1,865,806	1,752,598	(113,208)		1,865,806	1,935,148	(182,549)	
Legal & Democratic	1,077,740	1,139,337	61,597		1,077,740	995,717	143,620	
Planning	1,162,614	746,521	(416,093)		1,162,614	652,614	93,907	
Contingency	(39,108)	0	39,108		(39,108)	0	0	
	<b>12,046,336</b>	<b>10,408,743</b>	<b>(1,637,593)</b>		<b>12,046,336</b>	<b>10,523,819</b>	<b>(115,076)</b>	

## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
<b>Corporate Management Team</b>								
Council Chair - Mark Hewer	11,510	8,499	(3,011)		11,510	13,800	(5,301)	
Corporate Management Team - Jeanette Cox	783,684	530,938	(252,746)	Saving from not replacing Strategic Director, underspend on Corporate Services Project (budget carry forward requested) and underspend on Office Move pending final account and fire at Crowmarsh	783,684	730,687	(199,749)	Underspend on Corporate Services Project (budget carry forward requested) and underspend on Office Move pending final account and fire at Crowmarsh
Enterprise Zone	1,000	0	(1,000)		1,000	1,000	(1,000)	
Science Vale Uk	0	238	238		0	0	238	
<b>Corporate Management Team</b>	<b>796,194</b>	<b>539,675</b>	<b>(256,519)</b>		<b>796,194</b>	<b>745,487</b>	<b>(205,812)</b>	

## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
<b>Corporate Strategy</b>								
Climate Change - Sally Truman	64,745	58,994	(5,751)		64,745	60,545	(1,551)	
Communications - Shona Ware	120,187	111,737	(8,450)		120,187	115,187	(3,450)	
Consultation - Sally Truman	56,569	34,745	(21,824)		56,569	36,014	(1,269)	
Corporate Planning - Sally Truman	111,052	118,389	7,337		111,052	114,956	3,433	
Corporate Strategy Admin - Jayne Bolton	60,312	55,311	(5,001)		60,312	58,312	(3,001)	
Private Sector Housing - Paul Holland	64,141	62,576	(1,565)		64,141	64,891	(2,315)	
Environmental Protection - Paul Holland	396,557	381,522	(15,035)		396,557	377,631	3,891	
Food/Health & Safety - Diane Moore	282,495	269,202	(13,293)		282,495	237,087	32,115	
Community Grants - Shona Ware	385,740	337,156	(48,584)		385,740	355,081	(17,925)	
Community Grants - Sally Truman	2,000	5,659	3,659		2,000	2,000	3,659	
Parks & Open Spaces - Ian Matten	531,182	516,258	(14,924)		531,182	536,100	(19,842)	
Health & Safety - Sally Truman	13,392	14,735	1,343		13,392	13,722	1,013	
Waste Services - Ian Matten	3,040,250	3,027,719	(12,531)		3,040,250	3,013,986	13,733	
Youth Issues - Sally Truman	24,822	21,010	(3,812)		24,822	21,322	(312)	
<b>Corporate Strategy</b>	<b>5,153,444</b>	<b>5,015,012</b>	<b>(138,432)</b>		<b>5,153,444</b>	<b>5,006,834</b>	<b>8,178</b>	



## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
<b>Development &amp; Housing</b>								
Housing Register & Homelessness - Phil Ealey	326,517	407,459	80,942	Under achievement of income on temporary accomodation due to half of the housing stock being closed down because it was not fit of occupation	326,517	372,476	34,983	
Affordable Housing - Debbie McLatch	1,171	0	(1,171)		1,171	0	0	
Housing Development - Debbie McLatch	247,852	(312,374)	(560,226)	Variance is due to receiving an additional capacity fund grant for the large sites programme of £535,000	247,852	291,492	(603,866)	Variance is mainly due to receiving an additional capacity fund grant for the large sites programme
<b>Development &amp; Housing</b>	<b>575,540</b>	<b>95,084</b>	<b>(480,456)</b>		<b>575,540</b>	<b>663,968</b>	<b>(568,884)</b>	

## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
<b>Economy Leisure &amp; Property</b>								
Arts Development - Abigail Brown	34,840	36,168	1,328		34,840	34,840	1,328	
Economic & Property - Suzanne Malcolm	164,587	169,613	5,026		164,587	184,919	(15,306)	
Civic Centres - Jo Paterson	180,975	226,643	45,668		180,975	230,570	(3,927)	
Leisure - Kate Arnold	75,013	81,016	6,003		75,013	74,796	6,220	
Leisure - Kate Arnold	274,056	85,143	(188,913)	Delays due to restricted covenant negotiations taking longer than anticipated	274,056	76,296	8,847	
Property Trading - Peter Beer	(1,090,970)	(1,195,216)	(104,246)	More rental income than anticipated and underspend in R&M, insurance and NNDR	(1,090,970)	(1,315,686)	120,470	More rental income than anticipated and underspend in R&M, insurance and NNDR
Sports Development - Jo Paterson	76,925	72,350	(4,575)		76,925	70,469	1,881	
Sport & Recreation - Chris Webb	148,635	19,213	(129,422)	The leisure management contract income increase not known when the budget was set	148,635	(341,017)	360,230	The leisure management contract income increase not known when the budget was set
<b>Economy Leisure &amp; Property</b>	<b>(210,952)</b>	<b>(586,086)</b>	<b>(375,134)</b>		<b>(210,952)</b>	<b>(1,059,608)</b>	<b>473,522</b>	

## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
<b>Investment income (treasury)</b>								
Investments - Bob Watson	(355,500)	(431,576)	(76,076)	The treasury team have received better investment returns from its CCLA property fund in year. The markets also experienced a rise in rates around the end of the 3 <sup>rd</sup> quarter on expectations of an earlier rate rise, which has now diminished – however we were well placed to take advantage of this. Treasury estimates always tend to be on the cautious side and we will always try and maximise returns for the council although security of funds is our main guideline.	(355,500)	(355,500)	(76,076)	The CCLA fund reports one month after quarter end; the significantly better return was not fully known at the end of quarter 3. We had anticipated that the high rate on call accounts funds would fall, but this did not occur.
<b>Investment income (treasury)</b>	<b>(355,500)</b>	<b>(431,576)</b>	<b>(76,076)</b>		<b>(355,500)</b>	<b>(355,500)</b>	<b>(76,076)</b>	

## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
<b>Finance</b>								
Accountancy - Bob Watson	574,214	550,734	(23,480)		574,214	574,214	(23,480)	
Audit - Adrianna Partridge	83,711	81,575	(2,136)		83,711	83,711	(2,136)	
Unallocated Finance - William Jacobs	648,000	648,000	0		648,000	648,000	0	
Payroll - William Jacobs	26,080	26,480	400		26,080	26,080	400	
Revenues & Benefits - Paul Howden	688,553	831,388	142,835	Increase in bad debt provision £64k; additional HB expenditure £35k; Capita payment £146k; additional government grant £119k	688,553	607,155	224,233	As well as the increase in the bad debt provision £64k etc, there was an increase in overpayments in the last quarter due to HMRC notifying councils of changes from RTI. This reduced our subsidy slightly (which was in excess of £27 million).
<b>Finance</b>	<b>2,020,558</b>	<b>2,138,178</b>	<b>117,620</b>		<b>2,020,558</b>	<b>1,939,160</b>	<b>199,018</b>	

## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
<b>HR IT &amp; Technical</b>								
Street Naming - Lee Brown	8,380	8,747	367		8,380	8,380	367	
Contact Services - Andrew Down	259,050	252,351	(6,699)		259,050	266,050	(13,699)	
Drainage - John Backley	60,118	76,328	16,210		60,118	84,768	(8,440)	
Emergency Planning - John Backley	10,972	4,946	(6,026)		10,972	8,897	(3,951)	
Facilities - John Backley	(3,909)	(108,241)	(104,332)	Reduced rental payment to South after Crowmarsh fire	(3,909)	6,405	(114,645)	Reduced rental payment to South after Crowmarsh fire
Human Resources - Mark Gibbons	504,625	517,324	12,699		504,625	510,225	7,099	
IT Applications - Lee Brown	230,952	303,028	72,076	Staff for data capture project - funded by Planning service	230,952	230,952	72,076	Staff for data capture project - funded by Planning service
IT Operations - Simon Turner	563,536	498,756	(64,780)	Vacant posts; IT projects delayed by Crowmarsh fire	563,536	556,536	(57,780)	Vacant posts; IT projects delayed by Crowmarsh fire
Car Parking - John Backley	(23,809)	(43,426)	(19,617)		(23,809)	(11,676)	(31,750)	
Procurement - Andrew Down	31,008	38,125	7,117		31,008	40,918	(2,793)	
Public Conveniences - John Backley	107,853	108,313	460		107,853	116,663	(8,350)	
Training - Mark Gibbons	117,030	96,348	(20,682)		117,030	117,030	(20,682)	
<b>HR IT &amp; Technical</b>	<b>1,865,806</b>	<b>1,752,598</b>	<b>(113,208)</b>		<b>1,865,806</b>	<b>1,935,148</b>	<b>(182,549)</b>	

## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
<b>Legal &amp; Democratic</b>								
Community Safety/CCTV - Katharine Doherty	134,017	106,793	(27,224)		134,017	122,674	(15,881)	
Committee Management - Steven Corrigan	435,528	418,151	(17,377)		435,528	435,528	(17,377)	
Elections - Steven Corrigan	233,272	272,563	39,291		233,272	233,272	39,291	
Land Charges	(88,783)	(41,748)	47,035		(88,783)	(168,032)	126,284	Over-recovery of income offset by a settlement of a claim regarding local land charges personal search fees and related legal costs
Legal Services - Liz Hayden	382,873	455,277	72,404	External legal costs more than budget	382,873	414,442	40,835	
Licensing - Robert Draper	(19,167)	(71,699)	(52,532)	Taxi income exceeded budget, and reduced salary costs	(19,167)	(42,167)	(29,532)	
<b>Legal &amp; Democratic</b>	<b>1,077,740</b>	<b>1,139,337</b>	<b>61,597</b>		<b>1,077,740</b>	<b>995,717</b>	<b>143,620</b>	

## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
<b>Planning</b>								
Building Control - Sandra Wildern	(102,511)	(94,148)	8,363		(102,511)	(102,511)	8,363	
Planning Operations	175,615	(120,004)	(295,619)	Increased income and recruitment difficulties	175,615	(374,385)	254,381	Increased income and recruitment difficulties not expected at Q2
Planning Policy - Sophie Horsley	1,089,510	960,673	(128,837)	Local plan and AAP delay (LP examination)	1,089,510	1,129,510	(168,837)	Local Plan and AAP delay
<b>Planning</b>	<b>1,162,614</b>	<b>746,521</b>	<b>(416,093)</b>		<b>1,162,614</b>	<b>652,614</b>	<b>93,907</b>	

## Vale of White Horse DC revenue outturn report as at 31 March 2015

	Working budget full year £	Outturn £	Outturn variance £	Explanation of current variances >£50,000	Working budget full year £	Forecast last Quarter £	Outturn against last forecast variance £	Explanation of forecast variances >£50,000
<b>Contingency</b>								
Contingency - William Jacobs	(39,108)	0	39,108		(39,108)	0	0	
<b>Contingency</b>	<b>(39,108)</b>	<b>0</b>	<b>39,108</b>		<b>(39,108)</b>	<b>0</b>	<b>0</b>	



## Vale of White Horse DC 2014/15 capital budget monitoring

	Budget £000	Outturn £000	Outturn variance £000
<b>Corporate strategy</b>	1,478	880	(598)
<b>Development &amp; housing</b>	143	51	(92)
<b>Economy leisure &amp; property</b>	754	740	(15)
<b>Finance</b>	4	0	(4)
<b>HR, IT &amp; technical</b>	272	239	(33)
<b>Legal &amp; democratic services</b>	60	32	(28)
<b>Planning</b>	164	53	(111)
	<b>2,876</b>	<b>1,994</b>	<b>(882)</b>
<b>Percentage</b>			-31%
<b>Capital contingency (unspent)</b>	2,287		
<b>Total working budget</b>	<b>5,163</b>		

Note: Budget is the full year working budget, Percentage is the total variance excluding contingency as a ratio of the budget

### Explanation of significant variances

#### Corporate strategy

Disabled Facility Grant expenditure is demand led and current projects may be underway and not fully funded at the end of the year. Where this occurs budget is carried forward to cover this commitment. At the end of the year £380,000 was carried forward which accounted for most of the out-turn variance of £400,000 on this project at year end.

Community grants fund was underspent by £83,000, this relates to grants committed but unclaimed by year end. All of this budget has been slipped into next year.

#### Development & housing

The open market homebuyer scheme was underspend at year end by £51,000 - This budget is used as and when required on each occasion that an eligible applicant completes an open market purchase. Demand for the scheme has been in competition with other schemes such as the government "Help to Buy scheme". The underspend is due to lower than expected uptake of the loans on offer.

#### Planning

Two integrated transport projects for cycle paths and transport studies have not been spent this year resulting in an underspend of £107,000 against budget. These budgets should have been removed from the programme two years ago and will not be carried forward.

### Vale of White Horse DC slippage of capital schemes during 2014/15

<b>Corporate strategy</b>	<b>£000</b>
Community grants fund	41
	<b>41</b>
<b>Development and housing</b>	<b>£000</b>
Support development of social housing	387
Open Market Homebuy scheme	42
Housing allocations	13
Refurbish Tiverton House	200
Housing Abingdon	920
	<b>1,562</b>
<b>Economy, leisure and property</b>	<b>£000</b>
Great Coxwell Wall reinstatement	25
Essential refurbishment of operational property assets	200
West Way shopping centre refurbishment	50
Refurbishment of Emcor House, Hatfield	150
Public art projects (funded by contributions)	8
Maintain building fabric - leisure facilities	42
Wi-fi for Vale towns	7
WHLTC car park extension	64
Wantage leisure facilities	175
Chilton public art	73
Great Western Park public art	139
Abingdon riverbank repairs	10
Leisure centre essential works	65
Wantage leisure centre capital investment	185
WHLTC capital investment	249
Faringdon leisure centre capital investment	864
	<b>2,306</b>
<b>HR, IT and technical services</b>	<b>£000</b>
Flood prevention	125
Sewage works	17
Upgrade of sewage treatment works - Challow & Sparsholt	47
Development of additional plots at MHP	836
Hales Meadow public convenience	90
Woodlands watercourse	30
Car park lighting improvements	36
Changes to Rye Farm car park	5
IT infrastructure investment	385
	<b>1,571</b>
<b>Total</b>	<b>5,480</b>

# Scrutiny committee



Report of head of economy, leisure and property

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DATE: 24 September 2015

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## The Beacon, Wantage

### Recommendation

Scrutiny committee is asked to review progress on the actions requested by the committee in June 2014 and the targets set for 2015/16

### Purpose of report

1. The purpose of this report is to inform scrutiny committee of the progress made on its recommendations from June 2014 and review the work that has been completed towards the targets for 2015/16. The committee is asked for recommendations/comments to be made to the cabinet member for leisure and arts to aid improvement in future performance.

### Strategic objectives

2. The provision of The Beacon contributes towards achieving the Vale Council's strategic objective "support for communities" and corporate priority to "increase usage of The Beacon". It also contributes towards achieving the strategic objectives of "building the local economy" and "the effective management of resources".
3. The Vale Council's corporate plan 2012-2016 states that we will measure our success in increasing usage of The Beacon by the following:
  - plan agreed for increasing usage of The Beacon

- increase the number of bookings and users of The Beacon (collect baseline data 2012/13)
  - decrease in net expenditure (set target based on 2012/13 user baseline).
4. In terms of the net expenditure, we are taking a new baseline from 2015/16, following the agreed investment in additional staff and stock. It should be noted that the figures in the previous report to scrutiny committee were taken from an external report by Max Associates in 2013, which did not allow for the cost of essential repairs to the building, installation of equipment required to attract new customers and the increased cost of staffing and stock required to reach the income targets. Following a major recruitment process and work on the facility, we are now in a better position to set realistic targets and project increased usage more accurately. In addition, we are producing a business plan and this will set out how future reductions in the deficit will be achieved, now that the budget has been set and appropriately profiled.

## Background

5. The vision for The Beacon is that it will be seen as the heart of the community. It is a facility offering opportunities for residents to enjoy celebrations, performances, business use and a thriving coffee shop. In addition to being a bookable space for a diverse range of users, The Beacon also offers the community a choice of activities including a mother and toddler group, tea dance and cinema.

## Financial performance

### GROSS INCOME

6. The Beacon achieved its gross income target for 2013/14, which was the first time that this had been achieved for a number of years, and exceeded its gross income target for 2014/15 by almost £30,000, although expenditure was higher to cover the costs of additional staff and stock, as shown in the table below.

Year	Gross income - budgeted	Gross income - actual	Percentage of budget met
2011/12	£84,500	£62,562	74
2012/13	£83,450	£67,470	81
2013/14	£96,010	£102,646	107
2014/15	£126,010	£156,440	124
2015/16	£170,949		

7. Officers set income targets in all areas, such as regular hirers, ticket sales, bar and coffee shop, and they are carrying out closer monitoring on a monthly basis to highlight any areas of concern to enable action to be implemented quickly. This increased awareness will also be used for future target setting.

## GROSS EXPENDITURE

8. The Beacon expenditure has increased significantly over the last two years to enable the business to grow effectively. Investment has been made in recruiting additional staff from five people (full time equivalent of 3.3 posts) in 2011/12 to twelve (full time equivalent of 8.4 posts) in 2015/16 as usage grew. This increase in expenditure has enabled the income to grow significantly from £62,562 in 2011/12 to £156,440 in 2014/15 and is expected to grow by a further £14,000 this financial year.
9. Now that the facility is running with a full staff and sufficient budget for stock, this year should be the point from which realistic baseline figures and achievable future projections can be calculated. In 2004/05 the expenditure was £475,442 and that generated an income of just £61,036, so the position is considerably stronger now than it has ever been, but staff are aware of the challenges and are working hard to reduce the deficit further over the coming years.

<b>Year</b>	<b>Gross expenditure - budgeted</b>	<b>Gross expenditure - actual</b>
2012/13	£228,240	£199,320
2013/14	£304,334	£286,963
2014/15	£306,985	£383,083
2015/16	£381,176	

## NET EXPENDITURE

10. Leisure officers worked with the finance team to re-profile the budget to reflect the increased expenditure required to grow the business and increase the usage and income. The essential improvements meant that the deficit increased in 2014/15 by some 23 per cent, but this needs to be seen in the context of an increase in usage, which helped to increase gross income by some 52 per cent on the previous year. The predicted figures for 2015/16 show a further increase in income of 8.5 per cent and a reduction in the deficit of 7.2 per cent.

<b>Year</b>	<b>Net expenditure - budgeted</b>	<b>Net expenditure - actual</b>
2012/13	£144,790	£129,220
2013/14	£208,324	£184,317
2014/15	£180,975	£226,643
2015/16	£210,229	

## Usage performance

11. In 2012/13 occupancy was just 2,589 hours, which is 16 per cent of total capacity. In 2013/14 the occupancy increased to 4,064 hours, which is 25 per cent of capacity. This is calculated as the time each room was in use as a percentage of the total number of hours the building is open.
12. The total available hours is calculated as 9am – 10pm Monday to Saturday and 10am – 4pm on Sundays in four bookable rooms. This equals 336 hours per week and to allow for bank holidays and Christmas closure we calculate the total for a year as 49 weeks; therefore, total bookable hours per year is 16,464.
13. Ad hoc meetings that take place in the coffee shop are not used in these calculations as they are not bookable events.
14. The target for 2014/15 was to increase the occupancy to 5,076 hours, (423 hours per month, which represents 31 per cent of total bookable hours). We achieved an occupancy of 5,070 hours for the year (422.5 per month).
15. The target in 2015/16 is to be occupied at least 5,784 hours for the year (482 per month and 35 per cent of total bookable hours). Currently the average for the first four months of 2015/16 is 536 hours per month, which is 39 per cent of total bookable hours, but this will vary by year end with seasonal differences.
16. The targets for 2016/17 and 2017/18 have been set at 535 hours per month and 583 hours per month respectively. This will bring us up to a figure that is considered the industry standard for this type of venue.

<b>Year</b>	<b>Target hours per year</b>	<b>Target hours per month</b>	<b>Percentage of bookable hours</b>	<b>Occupancy achieved in hours per month</b>
2012/13	-	-	16	215.75
2013/14	-	-	25	338.6
2014/15	5076	423	31	422.5
2015/16	5784	482	35	
2016/17	6420	535	39	
2017/18	6997	583	42.5	

### **Update on 2014/15 scrutiny action plan**

17. At its meeting in June 2014, scrutiny committee recommended various actions, and the following provides an update to these actions:
18. “A user survey to take place together with monitoring of feedback and comments (This to be included as a KPI)”

- officers sent an online user survey to 150 customers early in 2015, but the number of responses was very low - 77 per cent of the 22 respondents were either satisfied or very satisfied with the venue and customer service - the remaining 23 per cent were either neutral or did not answer - there was only one very dissatisfied from all seven categories and this was with the bar, but unfortunately no further details were provided
- officers carried out a face to face shopper's survey in the Wantage Market Place in November 2014 and received 103 responses - 45 per cent of respondents did not use the Beacon currently, mostly due to not being aware of what was on offer or not feeling it was suitable for them - 37 per cent of respondents were not aware that Wantage Civic Hall had changed its name to The Beacon, but some of these were not local residents
- now we have a new promotions officer in post (since June 2015), we will be able to carry out more regular monitoring of customer satisfaction.

19. "Commercial/non-commercial tariff to be considered, reflecting peak and off peak periods"

- we offer a charitable rate of 20 per cent discount to all customers who are registered charities - there is no distinction between peak and off-peak due to the diverse nature of The Beacon's customers, ranging from mother and toddlers, to schools and retired people, all of whom have different requirements at different times of the day.
- we also offer discounts of between ten and 20 per cent for regular monthly and weekly hirer's.

20. "The negotiations over the usage and payment arrangements with Wantage Town Council to be concluded as swiftly as possible"

- officers reached agreement on the mayoral events and a copy is attached as appendix 1 to this report for information - this defines the length of a session, the eligibility of events and the costs that need to be covered by the hirer – we have implemented this amended scheme and it is working well
- unfortunately, the officer's negotiations on the office space rental did not result in any changes to the existing agreement - extensive investigation was done and advice sought from our legal team - having looked at a similar situation in another market town, it became clear that it would be extremely difficult to break the original agreement - officers decided that it was not viable to pursue this matter any further at this time.

21. "The usage of volunteers at appropriate events to be explored"

- this has not been viable or necessary so far, as we still require paid staff on site to run the bar and coffee shop, but we will consider using volunteers in the future if appropriate.

22. "Internal Vale Council recharge usage to be split from other usage by income/hours"

- officers recorded the figures for internal bookings separately - of the £156,440 income taken last year, the full council, planning, audit and scrutiny committee meetings accounted for £6,454 in room hire, and £1,675 in additional costs,

such as hiring equipment, technicians, linen and refreshments - this represents approximately five per cent of the total income.

23. “Local ward members to be added to the steering group”

- officers were in the process of setting up a steering group that included local ward members – however, following further consideration, the project board has subsequently agreed that now we have a promotions officer in post and several other means of gathering data and feedback, there is not sufficient need to set up a steering group at this time - all of the people who had been asked to sit on the group (e.g. regular hirer, schools rep and market town coordinator) have regular contact with The Beacon and so their opinions on improvements and changes are readily available without the need to call an additional meeting. Our cabinet member is also on the town council and sits on the Beacon project board, so we also have a clear link through to ward members.

### Capital investment

24. In 2014/15 a total of £55,000 of capital money was invested in The Beacon. This enabled us to make urgent repairs to the roof and the external rendering. In addition, we made improvements to the reception desk area, installed new external doors in the coffee shop and replaced the stage flooring. Following the rebrand in April 2014, we installed new signage internally and externally. Some of these investments were necessary to make the building safe and compliant, whilst others were improvements that have made it more appealing to the public and have helped attract new users.

25. The 2015/16 the essential capital works budget was used to install a new lighting desk in the control room, new electronic tills for the bar, coffee shop and front of house, refurbish the bar with new energy-efficient fridges and provide barriers for the new paved seating area outside the coffee shop. The remainder will be used to complete the paved area, introduce an electronic online booking system and purchase new stage curtains.

26. In addition to this investment, The Beacon is also receiving replacement lighting, hot water units and building management systems following an energy audit and investment led by the Vale Council’s climate change officer. It is hoped this work will be completed by April 2016, subject to procurement and contractor timescales.

### KPIs for 2015/16

27. Officers are monitoring a number of key performance indicators during 2015/16, as shown in the table below:

KPI	2015/16 target	Current performance to 31 July 2015
Increase occupancy	Increase by at least 35 per cent of total bookable hours to 5,784 hours (482 per month)	39 per cent increase



Increase income	Increase by 35 per cent to £170,494	30.5 per cent increase
*Decrease net expenditure	Decrease by at least 7.2 per cent to £210,229	7.5 per cent decrease
**Decrease electricity usage	No percentage target set	Data not available yet
**Decrease gas usage	No percentage target set	Data not available yet
***Decrease water usage	Target no longer appropriate to measure	
Coffee shop performance	Income of £15,000	Income of £7,313 against profiled target of £6,250
Bar performance	Income of £21,000	Income of £5,692 against profiled target of £8,000
Regular hirers	Income of £60,000	Income of £15,468 against profiled target of £20,000  (it should be noted that many regular hirers stop in April and August)
Events and performances	Income of £24,000	Income of £16,326 against profiled target of £12,500
Children's parties	Income of £1,000	Income of £2,277 against profiled target of £400

- \*note this figure is different from previous expectations as previous figures were taken from an external report by Max Associates, as mentioned in paragraph 3 above.
- \*\*it has not been realistic to set a percentage target for reduction in gas and electricity, as by reaching the increased occupancy targets the use of energy is likely to go up - therefore, we are reviewing the figures at the year end to ensure that the amount of energy used has not increased at the same rate as the occupancy, and so a net reduction will have been made. There is currently not a method in place to make per person calculations, as occupancy is measured by number of bookings and hours the rooms are in use, not by the number of individuals using the rooms.
- further reductions in energy usage will be made through the energy saving projects detailed in paragraph 24.
  - electricity usage increased from 97,017 kwh in 2013/14 to 118,127 kwh in 2014/15 – an increase of 21 per cent, but occupancy in the same time period increased by 24.7 per cent, resulting in a net decrease
  - gas usage decreased from 269,122 kwh in 2014 to 256,168 kwh in 2015 – a decrease of 4.8 per cent

- \*\*\*we are no longer expecting to see a decrease in water usage due to the increase in occupancy, coffee shop sales and use of the toilets.

## **Conclusion**

28. The committee is asked to note the update on performance at The Beacon for 2014/15 and make any recommendations to the cabinet member for leisure and arts to improve future performance.

### **Agreement with Wantage Town Council for free mayoral events**

Historically it was agreed that the mayor of Wantage can host or gift up to ten sessions at The Beacon for charitable events. Following discussions with the town council and mayor, officers reached agreement on the terms and conditions for these events are as follows:

#### **Definition of a session:**

A morning (9am – 1pm), afternoon (2pm – 6pm) or evening (6pm – 10pm) event in any one of the bookable rooms at the Beacon.

#### **An eligible event:**

The events must be for charity and not for profit.

All events must be booked well in advance and a booking form completed. Failure to book for the full year ahead may result in the desired rooms not being available on the dates requested.

#### **Costs:**

- use of the room of choice for up to four hours – free of charge
- hire of room beyond four hours – charged at normal room rate
- use of the room for setting up or rehearsals - will be charged at the normal room rate where these activities make it unavailable to other hirers
- time required for clearing up at the end of an event - will be charged at the normal room rate if this goes beyond the four hours allocated
- hire of additional rooms (e.g. for storing equipment or using as a green room) – charged at normal room rate
- use of the kitchen for external caterers - £40 (+ £100 refundable deposit)
- technical support for sound and lighting - £20 per hour.

The Beacon staff are able to arrange catering for events, which will be charged at per head cost to be agreed prior to the event.

There is no charge for use of the bar or provision of additional bar staff.