

# Council Agenda



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Date: 10 December 2019  
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## Summons to attend a meeting of Council

to be held on Wednesday 18 December 2019 at 7.00 pm  
The Ridgeway, The Beacon, Portway, Wantage, OX12 9BY

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

Margaret Reed  
Head of Legal and Democratic

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# Agenda

## Open to the Public including the Press

### 1. Apologies for absence

To record apologies for absence.

### 2. Minutes

(Pages 9 - 24)

To adopt and sign as a correct record the Council minutes of the meeting held on 9 October 2019 - attached.

### 3. Declarations of disclosable pecuniary interest

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

### 4. Urgent business and chair's announcements

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

### 5. Public participation

To receive any questions or statements from members of the public that have registered to speak.

### 6. Petitions

To receive any petitions from the public.

### 7. Making the Wootton and St Helen Without Neighbourhood Development Plan

(Wards Affected: Marcham; Wootton)

(Pages 25 - 29)

Cabinet, at its meeting on 6 December 2019, considered the head of planning's report on the Wootton and St Helen Without Neighbourhood Development Plan.

The report of the head of planning, which Cabinet considered on 6 December, is attached.

Cabinet has recommended to Council as follows:

**RECOMMENDATION TO COUNCIL:** to

1. make the Wootton and St Helen Without Neighbourhood Development Plan so that it continues to be part of the council's development plan; and
2. authorise the head of planning, in consultation with the Leader of the Council, and in agreement with the Qualifying Body, to correct any spelling, grammatical, typographical or factual errors together with any improvements from a presentational perspective.

**8. Treasury Management Outturn 2018-19**

(Pages 30 - 50)

Cabinet, at its meeting on 6 December 2019, considered the report of the head of finance on the outturn performance of the treasury management function for the financial year 2018/19.

The report of the head of finance, which the Joint Audit and Governance Committee considered on 14 October 2019 and Cabinet considered on 6 December 2019, is **attached**.

The Joint Audit and Governance Committee made no recommendations to Cabinet.

**RECOMMENDATION TO COUNCIL:** to

1. approve the treasury management outturn report 2018/19; and
2. approve the actual 2018/19 prudential indicators within the report.

**9. Council Tax Base 2020/21**

(Pages 51 - 54)

Cabinet, at its meeting on 6 December 2019, considered a report on the council tax base for 2020/21.

The report of the head of finance, which Cabinet considered on 6 December, is attached.

**RECOMMENDATION TO COUNCIL:**

1. that the report of the head of finance to Cabinet on 6 December 2019 for the calculation of the council's tax base and the calculation of the tax base for each parish area for 2020/21 be approved;
2. that, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Vale of White Horse District Council as its council tax base for the year 2020/21 be 52,686.4; and
3. that, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Vale of White Horse District Council as the council tax base for the year 2020/21 for each parish be the amount shown against the name of that parish in Appendix 1 of the report of the head of finance to Cabinet on 6 December 2019.

## **10. Designating the council's section 151 chief finance officer**

(Pages 55 - 57)

To consider the report of the chief executive – attached.

## **11. Report of the leader of the council**

To receive any updates from the leader of the council.

## **12. Questions on notice**

To receive the following question in accordance with Council procedure rule 33.

### **Question from Councillor Simon Howell to Councillor Andrew Crawford, Cabinet Member for finance**

“The Leader of the council highlighted, at the annual meeting of the council, the need to produce a sustainable budget and improve income generation, including a line by line review.

Could the Cabinet member update Council on progress made over the last six months and the current financial health of the council as we approach the timeframe for the preparation of budgets”.

## **13. Motions on notice**

To consider motions from councillors in accordance with Council procedure rule 38.

### **(1) Motion to be proposed by Councillor Richard Webber, seconded by Councillor David Grant:**

In the context of the Climate Emergency, this Council welcomes the Government’s review of fracking and its potential environmental impacts. Council urges Government to move towards a position of banning fracking altogether. Quite apart from the many environmental concerns, developing yet one more carbon-based fuel flies in the face of our ambition to strive for carbon neutrality.

Council notes that onshore wind is the lowest cost low-carbon technology currently available, yet the Westmill Wind Farm at Watchfield remains the only onshore wind farm in the whole of the Vale of White Horse. This situation is being exacerbated by the Government making their ‘Contracts for Difference’ funding available for offshore wind farms but excluding onshore.

Council notes that, while Government has looked on solar energy production more favorably, there remains huge untapped potential within the Vale to generate energy through Solar PV.

Council therefore commits to exploring planning policies which positively encourage all renewable sources of energy including onshore wind farms as part of the next Vale Local Plan and Oxfordshire Plan 2050.

**(2) Motion to be proposed by Councillor Max Thompson, seconded by Councillor Sarah Medley:**

Council notes the International Holocaust Remembrance Alliance (IHRA) definition of antisemitism is the most widely accepted and recognized definition of anti-Jewish racism. It states that: Antisemitism is a certain perception of Jews, which may be expressed as hatred toward Jews. Rhetorical and physical manifestations of antisemitism are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities.

Council notes the All Party Parliamentary Group on British Muslims (APPG) definition of Islamophobia: Islamophobia is rooted in racism and is a type of racism that targets expressions of Muslimness or perceived Muslimness.

Council notes that by using these definitions it helps understand, identify, and tackle antisemitism and Islamophobia.

Council holds the right to freedom of speech and freedom of religion are fundamental, but freedom of speech is not freedom to demonise, scapegoat and discriminate.

Council resolves to:

- condemn all hate crimes and deplores the rise in hate crimes against members of the Jewish and Muslim communities in Britain
- condemn all inflammatory rhetoric in political discourse: including antisemitic and Islamophobic tropes used by politicians and public servants.
- adopt the IHRA definition of antisemitism in full and without amendment
- adopt the APPG definition of Islamophobia in full and without amendment.
- ask officers to update this council's equality policies to this effect

**(3) Motion to be proposed by Councillor Hayleigh Gascoigne, seconded by Councillor Alison Jenner:**

Council:

1. Believes that young people should be allowed a say over their future.
2. Recognises that 16 and 17 year olds are knowledgeable and passionate about the world in which they live and are as capable of engaging in the democratic system as any other citizen.
3. Notes that there is currently an unequal situation across the United Kingdom, with 16 and 17 year olds having voting rights in Scotland and Wales that are not available to them in England and Northern Ireland.
4. Supports the need for greater engagement with young people, leading to greater involvement of young people in the decisions that affect their community.
5. Believes that lowering the voting age to 16, combined with strong citizenship education, would empower young people to better engage in society and influence decisions that will define their future.
6. Believes that people aged 16 and 17, who can consent to medical treatment, work full-time, pay taxes, get married or enter a civil partnership and join the armed forces, should also have the right to vote.
7. Recognises and supports the ongoing 'Votes at 16' campaign by the British Youth Council, the UK Youth Parliament and other youth organisations, supported by thousands of young people across the UK.

8. Calls for 16 and 17 year olds to have the right in all elections and referendums across the UK.

Council therefore:

- Requests that the Leader write to relevant Ministers and local MPs: expressing this Council's support for the Votes at 16 campaign; calling for the extension of the franchise to 16- and 17-year olds in all elections and referendums across the UK;
- and asks the ERO/ RO to consider participating in any pilot scheme.

**(4) Motion to be proposed by Councillor Andy Cooke, seconded by Councillor Amos Duveen:**

Council notes:

- that confidence and trust in both Parliament, the UK's democratic system and politicians has been falling for some time.
- that the House of Commons and council chambers have long been unrepresentative of the votes cast by the electorate of the United Kingdom.
- that the UK's First Past the Post voting system curtails voter choice, makes millions of votes ineffective, and leaves millions feeling unrepresented.

Council believes:

- that these factors have contributed to dangerous levels of distrust and disillusionment with our democratic process
- that democracy is distorted and failed by the fact that, due to this system, barely half of voters now feel able to cast their vote for their preferred candidate or Party.
- that it is essential that faith is restored in our democratic system and that the public see Parliament as fairly reflecting their views.
- that our First Past the Post voting system is a significant barrier to restoring this faith and all but guarantees that the balance of opinion among the electorate is not reflected in Parliament and our council chambers.
- that a system of Proportional Representation in which seats match votes at all levels, including councils, and in which all votes count equally, would help to rebuild public trust by ensuring that political views are represented.

Therefore:

Council requests that the leader write to the relevant government minister and our two local MPs setting out our position and requesting that all elections be run using a form of Proportional Representation in which all votes count equally and seats match votes.

**(5) Motion to be proposed by Councillor Emily Smith, seconded by Councillor Simon Howell:**

In March 2017 this council voted to support 'Better Oxfordshire'; a proposal to create a unitary authority.

The unitary authority outlined in the 'Better Oxfordshire' submission was for a single authority based on the current County Council boundary. Oxfordshire County Council and South Oxfordshire District Council also took formal decisions to support the submission of this proposal.

The proposal was sent to the Secretary of State for approval, however, no further action

has been taken. The proposal was submitted under legislative provisions containing a sunset clause, which expired in March 2019, meaning that at this time the proposal is not under active consideration.

However, over the past six months, Robert Jenrick MP, in his role as Secretary of State for Housing, Communities and Local Government, has spoken publicly about an approach that could mean the end of smaller District Councils. He has also committed to a new push for devolution and raised the potential for further local government reorganisation. Additionally, these themes feature in all the main political parties' General Election manifestos.

In light of the above, with a new Council administration, and the significant financial uncertainty this council faces due to the delayed spending review, Council now wishes to clarify its position in relation to local governance models for Oxfordshire.

Council therefore confirms that it:

- Recognises that much of the financial and economic data and analysis that underpinned the 'Better Oxfordshire' submission is now out of date;
- Remains open to considering a new unitary proposal in principle, assuming it is able to secure appropriate local public support. A new unitary proposal may be based on a whole Oxfordshire basis as with the original unitary proposal or may differ, i.e. comprising different boundaries better representing local communities; and
- Restates its opposition to a "combined authority" based on the Oxfordshire County boundary or a Mayoral lead authority model of devolution.

Council asks officers to ensure that any future unitary proposal impacting the Vale of White Horse:

- addresses the significant financial challenge faced by local government, as evidenced within in our Medium Term Financial Plan and those of other Oxfordshire Councils;
- reflects a logical geography,
- delivers increased value for money; and
- creates a Council of an appropriate size, that can think and act strategically whilst ensuring meaningful decision making is brought closer to communities

Council requests that:

- officers make contact with the MHCLG to explore the approach the new Secretary of State will take to any proposals for unitary based reorganisation;
- a report on this matter is brought to full council, by the Chief Executive and Leader, outlining their understanding of the new Government's intentions by Summer 2020; and
- officers bring forward proposals for the Vale of White Horse to consider a formal merger with South Oxfordshire District Council, with the same total number of District Councillors, creating a single district council based on their combined geography with increased financial resilience.





# Minutes of a meeting of the Council

held on Wednesday 9 October 2019 at 7.00 pm  
at The Ridgeway, The Beacon, Portway, Wantage, OX12 9BY

## Open to the public, including the press

### Present:

Members: Councillors Margaret Crick (Chair), Jerry Avery, Matthew Barber, Paul Barrow, Ron Batstone, Eric Batts, Samantha Bowring, Nathan Boyd, Cheryl Briggs, Andy Cooke, Andrew Crawford, Eric de la Harpe, Amos Duveen, Neil Fawcett, Andy Foulsham, Hayleigh Gascoigne, David Grant, Debby Hallett, Jenny Hannaby, Simon Howell, Alison Jenner, Bob Johnston, Diana Lugova, Robert Maddison, Sarah Medley, Patrick O'Leary, Helen Pighills, Mike Pighills, Judy Roberts, Val Shaw, Janet Shelley, Emily Smith, Bethia Thomas, Elaine Ware, Catherine Webber and Richard Webber

Officers: Steven Corrigan, Nadeem Din, Adrian Duffield, Holly Jones, Margaret Reed and Clare Roberts

Number of members of the public: 10

### **Co.25 Apologies for absence**

An apology for absence was submitted on behalf of Councillor Max Thompson.

### **Co.26 Minutes**

**RESOLVED:** to approve the minutes of the meeting of Council held on 17 July 2019 as a correct record and agree that the chair sign them as such.

### **Co.27 Declarations of disclosable pecuniary interest**

Councillors Batts, Bowring, Crawford, Fawcett, Hannaby and Smith made statements declaring that they are a member of, or in receipt of a pension from, the Oxfordshire Pension Fund.

Councillor Johnston made a statement that he is a representative on the Local Pension Board of the Oxfordshire Pension Fund Committee.

Councillor Barber made a statement that as Deputy Police and Crime Commissioner he had a non-pecuniary interest in agenda item 8 "Budget for replacement CCTV equipment" and agenda item 11 "Appointment of substitute member to the Thames Valley Police and Crime Panel".

Councillor Medley made a statement that she is employed by UKAEA which could benefit from any funding from the Housing Infrastructure Fund.

All of the above remained in the meeting and took part in the discussion and/or vote on the items.

## **Co.28 Urgent business and chair's announcements**

The chair provided general housekeeping information. There were no items of urgent business.

## **Co.29 Public participation**

The chair reported that she would invite public speakers who had registered to address Council on an agenda item to do so at the item.

Ms Lynda Crowley, Chair of Radley Parish Council, addressed Council in respect of a planning application for the development of 283 homes in the north of the parish. She stated that a condition requested by the Planning Committee in respect of upgrades to sewerage works had not been included in the planning permission issued by officers. The parish council was not satisfied by the responses received from the council to date.

## **Co.30 Petitions**

None.

## **Co.31 Local Plan 2031 Part 2 - options for adoption**

A correction to the report was circulated to all councillors at the meeting. Paragraph 75 of the report provided an indicative timetable for preparing a new local plan following adoption. The timetable as published did not include dates for the latter stages of the plan making process. The table below sets out the complete indicative timetable:

<b>October 2019</b>	<b>Decision to adopt LPP2 (returning to Reg 19)</b>
<b>November 2019 – November 2020</b>	Draft Reg 19 Local Plan production
<b>Spring 2021</b>	Consultation on Reg 19 Local Plan (six weeks)
<b><sup>1</sup> April 2021 – October 2021</b>	Submission and Examination in Public
<b>November 2021</b>	Inspector's report
<b>December 2021</b>	Adoption

<sup>1</sup> Once the Plan is submitted for Examination the timetable for the examination is set by the Inspector and may be longer than that indicated

Mr Michael Tyce addressed Council on behalf of the Campaign to Protect Rural England. He stated that the Plan was unsound because the housing numbers contained within it were too high and based on the outdated housing needs assessment from 2014. The Plan also included an allocation of Oxford's unmet housing need, figures for which had not yet been tested at the Oxford Local Plan examination hearing. The Plan would have a detrimental impact on the Green Belt, put a strain on services and impact social cohesion. He urged Council to withdraw the Plan or defer consideration of it until Oxford's unmet housing need figures had been tested.

Mr Simon Jenkins, Chair of Uffington Parish Council, addressed Council. He urged Council to adopt the Plan to provide certainty, protect against speculative development and the risk of a judicial review.

Mr Richard Bartle, Chair of Shrivenham Parish Council, addressed Council. He urged Council to adopt the Plan. To not adopt the Plan would have serious implications for villages with further speculative development which would impact on the existing infrastructure, schools and medical facilities.

Council considered Cabinet's recommendations made at its meeting on 4 October 2019 on the options for the adoption of the Local Plan 2031 Part 2 (LPP2).

Council was advised that, at its meeting on 19 September 2019, the Scrutiny Committee considered a report on options for the adoption of the LPP2. The committee expressed concern that the process to form and describe the options, and the analysis of those options, provided insufficient detail to allow councillors to make an informed choice. In particular, councillors believed that the report had not sufficiently analysed the risks of each option. The Cabinet report provided the additional information requested. In addition, the confidential QC legal advice was circulated to all councillors at the request of the committee.

The majority of councillors supported Cabinet's recommendation to adopt the LPP2. However, a number of councillors, in supporting the adoption, expressed reservations. They expressed the view that the plan provided for too high a number of houses, included provision to meet Oxford City's unmet housing need without an assessment of that need, removed land from the Green Belt and did not include measures to address the climate emergency. Councillors acknowledged that the risk of not adopting the plan presented a number of risks to the council and Vale communities including an uncertain planning environment, communities being vulnerable to speculative developments, the costs of appeals to the council and the potential loss of infrastructure funding.

In accordance with Council Procedure Rule 67, which provides for a recorded vote if three members request one, the Chairman called for a recorded vote on the motion which was declared carried with the voting as follows:

<b>For</b>	<b>Against</b>	<b>Abstentions</b>
<b>Councillors</b>	<b>Councillors</b>	<b>Councillors</b>
Jerry Avery		Margaret Crick
Matthew Barber		Mike Pighills
Paul Barrow		

<b>For</b>	<b>Against</b>	<b>Abstentions</b>
Ron Batstone		
Eric Batts		
Samantha Bowring		
Nathan Boyd		
Cheryl Briggs		
Andy Cooke		
Andrew Crawford		
Eric de la Harpe		
Amos Duveen		
Neil Fawcett		
Andy Foulsham		
Hayleigh Gascoigne		
David Grant		
Debby Hallett		
Jenny Hannaby		
Simon Howell		
Bob Johnston		
Alison Jenner		
Diana Lugova		
Robert Maddison		
Sarah Medley		
Patrick O'Leary		
Helen Pighils		
Judy Roberts		
Val Shaw		
Janet Shelley		
Emily Smith		
Bethia Thomas		
Elaine Ware		
Catherine Webber		
Richard Webber		
<b>Total: 34</b>	<b>Total: 0</b>	<b>Total: 2</b>

**RESOLVED:** to

1. note the conclusions, including the Main Modifications, of the independent Inspector who was appointed to examine the Local Plan 2031 Part 2;
2. note the process followed to develop the options in relation to the Local Plan 2031 Part 2;
3. accept the Inspector's report and recommendation and adopt the Local Plan 2031 Part 2; and
4. authorise the head of planning in consultation with the Cabinet member for planning to make any minor amendments, typographical and grammar corrections to the documents prior to publication.

**Co.32 Budget for replacement CCTV equipment**

Council considered Cabinet's recommendation, made at its meeting on 4 October 2019, on the procurement of new CCTV recording and monitoring equipment for the CCTV control room.

**RESOLVED:** to approve the transfer of £22,000 from the capital contingency programme and to create a new capital programme for the procurement of new CCTV recording and monitoring equipment for the CCTV control room.

### **Co.33      Review of political balance**

Council considered the report of the head of legal and democratic on a review of the political balance following the resignation of Councillor Ruth Molyneux as a member of the Liberal Democrat Group.

**RESOLVED:** to

1. appoint the membership, substitutes and chairs/chairmen and vice-chairs/vice-chairmen as indicated to sit on them (see table below);

<b>Planning Committee, 9 Members</b>	
<b>Liberal Democrat (8 – one seat to be offered to Conservative Group)</b>	<b>Conservative (1) plus additional Liberal Democrat seat</b>
Jerry Avery	Eric Batts
Ron Batstone	Janet Shelley
Bob Johnston (Chair)	
Diana Lugova	
Rob Maddison	
Val Shaw (Vice-Chair)	
Max Thompson	
<b>Preferred substitutes</b>	
<b>Liberal Democrat (7)</b>	<b>Conservative (3)</b>
Paul Barrow	Nathan Boyd
Andy Cooke	Elaine Ware
Amos Duveen	Simon Howell
Hayleigh Gascoigne	
David Grant	
Eric de la Harpe	
Mike Pighills	

<b>Scrutiny Committee, 9 Members</b>		
<b>Liberal Democrat (7)</b>	<b>Conservative (1)</b>	<b>Non-group councillor</b>
Jerry Avery	Nathan Boyd (Chairman)	Cheryl Briggs
Ron Batstone		

Samantha Bowring	
Andy Foulsham	
Rob Maddison	
Mike Pighills	
Max Thompson	
<b>Preferred substitutes</b>	
<b>Liberal Democrat (7)</b>	<b>Conservative (3)</b>
Paul Barrow	Elaine Ware
Hayleigh Gascoigne	Eric Batts
Alison Jenner	Janet Shelley
Diana Lugova	
Sarah Medley	
Patrick O'Leary	
Vacancy	

<b>Joint Scrutiny Committee, 5 Members</b>	
<b>Liberal Democrat (4)</b>	<b>Conservative (1)</b>
Andy Cooke	Nathan Boyd (Co-Chairman)
Amos Duveen	
Hayleigh Gascoigne	
David Grant	
<b>Preferred substitutes</b>	
<b>Liberal Democrat (4)</b>	<b>Conservative (3)</b>
Samantha Bowring	Elaine Ware
Andy Foulsham	Eric Batts
Alison Jenner	Janet Shelley
Max Thompson	

<b>Joint Audit and Governance Committee, 4 Members</b>	
<b>Liberal Democrat (3)</b>	<b>Conservative (1)</b>
Amos Duveen	Simon Howell (Co-Chairman)
Andy Foulsham	
Eric de la Harpe	
<b>Preferred substitutes</b>	
<b>Liberal Democrat (3)</b>	<b>Conservative (3)</b>

Samantha Bowring	Elaine Ware
Andy Cooke	Nathan Boyd
Alison Jenner	Janet Shelley

### Community Governance and Electoral Issues Committee, 6 Members

<b>Liberal Democrat (5)</b>	<b>Conservative (1)</b>
Paul Barrow	Janet Shelley
Ron Batstone (Chair)	
Alison Jenner	
Sarah Medley (Vice-Chair)	
Mike Pighills	
<b>Preferred substitutes</b>	
<b>Liberal Democrat (5)</b>	<b>Conservative (3)</b>
Patrick O'Leary	Simon Howell
Max Thompson	Elaine Ware
Vacancy	Eric Batts
Vacancy	
Vacancy	

### Joint Staff Committee, 3 Members

<b>Liberal Democrat (2)</b>	<b>Conservative (1)</b>
Debby Hallett	Elaine Ware
Emily Smith	
<b>Substitutes</b>	
<b>Liberal Democrat</b>	<b>Conservative</b>
The Leader may be substituted by another Cabinet member. Other members of the Committee may be substituted by any member of that Council's political group (executive or non-executive).	Other members of the Committee may be substituted by any member of that Council's political group.

### General Licensing Committee, 12 Members

<b>Liberal Democrat (9)</b>	<b>Conservative (2)</b>	<b>Non-group councillor</b>
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Jerry Avery	Matt Barber	Ruth Molyneaux
Paul Barrow	Eric Batts	
Ron Batstone (Vice-Chair)		
Margaret Crick		
Debby Hallett		
Alison Jenner (Chair)		
Diana Lugova		
Patrick O'Leary		
Val Shaw		
<b>NO SUBSTITUTES</b>		

<b>Licensing Acts Committee, 12 Members</b>		
<b>Liberal Democrat (9)</b>	<b>Conservative (2)</b>	<b>Non-group councillor</b>
Jerry Avery	Matt Barber	Ruth Molyneaux
Paul Barrow	Eric Batts	
Ron Batstone (Vice-Chair)		
Margaret Crick		
Debby Hallett		
Alison Jenner (Chair)		
Diana Lugova		
Patrick O'Leary		
Val Shaw		
<b>NO SUBSTITUTES</b>		

<b>Appeals Panel, 3 Members</b>	
<b>Liberal Democrat (2)</b>	<b>Non-group councillor (1)</b>
Paul Barrow	Cheryl Briggs
Alison Jenner (Chair)	
<b>PREFERRED SUBSTITUTES</b>	
<b>Liberal Democrat (3)</b>	
Vacancy	
Vacancy	
Vacancy	

2. allocate a seat on the Planning Committee to the Liberal Democrat Group;

3. allocate a seat on the Joint Staff Committee to the Conservative Group;
4. (with no councillor voting against) allocate one of the Liberal Democrat Group's seats on the Planning Committee to the Conservative Group;
5. (with no councillor voting against) allocate one of the Liberal Democrat Group's seats on the Appeals Panel to Cheryl Briggs
6. authorise the head of legal and democratic to make appointments to any vacant committee or panel seat and substitute positions in accordance with the wishes of the relevant group leader.

### **Co.34 Constitution Review Task Group**

Council considered a proposal to establish a joint Constitution Review Task Group with South Oxfordshire District Council to undertake a review of the constitution and make recommendations to Council.

**RESOLVED:** to

1. establish a joint Constitution Review Task Group with South Oxfordshire District Council comprising five councillors from each council;
2. allocate three seats to the Liberal Democrat Group and two seats to the Conservative Group and appoint Councillors Debby Hallett, Diana Lugova, Alison Jenner (Liberal Democrat Group) and Councillors Elaine Ware and Nathan Boyd (Conservative Group) to the task group;
3. agree that councillors from the same political group on the council may substitute for this council's appointed representatives.

### **Co.35 Appointment of substitute member to the Thames Valley Police and Crime**

At its meeting on 17 July 2019, Council appointed Councillor Ruth Molyneaux as the substitute member on the Thames Valley Police and Crime Panel. In light of the recent change to Cabinet membership Council considered a proposal to appoint Councillor Jenny Hannaby, Cabinet member with responsibility for community safety, as the substitute member.

**RESOLVED:** to appoint Councillor Jenny Hannaby as the substitute member on the Thames Valley Police and Crime Panel.

### **Co.36 Appointment of independent persons to advise on code of conduct issues**

Council considered the report of the head of legal and democratic and monitoring officer on extending the term of office of two independent persons to advise on code of conduct issues.

**RESOLVED:** to authorise the Monitoring Officer to extend the terms of office of Chris Smith and Martin Wright, the council's independent persons for code of conduct matters until 31 October 2020 pending the receipt of further information on potential changes to the standards framework.

## **Co.37 Report of the leader of the council**

Councillor Emily Smith, Leader of the council, addressed Council. The text of her report is available on the council's [website](#).

## **Co.38 Motions on notice**

### **1. Motion proposed by Councillor Judy Roberts and seconded by Councillor Neil Fawcett**

Council notes that a hierarchy of organisations has grown up which influence regional development, some more accountable than others. These are collectively making increasing incursions into the decision-making abilities of elected local councils and placing significant growth demands on our districts.

These organisations or bodies include:

- England's Economic Heartland
- The Oxford-Cambridge Arc Region
- The Oxfordshire Growth Board (and associated Oxfordshire 2050 Joint Statutory Spatial Plan)
- OxLEP (and the Local Industrial Strategy)

Council notes that officers and members attend meetings related to these bodies, and welcomes the opportunity for regional collaboration, as many of us share the same concerns, but wishes to update its formal position to assist those representing our district.

This Council believes that development within our district must balance the needs of people and their communities, the environment and the local economy. Specifically, it should contribute to this Council's (and the Government's) commitment to carbon neutrality.

It should be based on genuine consultation and demonstrable public support.

It should ensure that infrastructure, both strategic and local, is in place to support development, with the aim of building communities, not just houses.

This Council supports the following approaches **in relation to regional economic growth**:

1. Planned development should demonstrate how it will help our economy move towards its zero-carbon target
2. Housing targets should be based on an up-to-date objective assessment of need
3. Planned housing should reflect the needs of the local community, offering a range of sizes and tenures including genuinely affordable housing to buy, and rent at affordable and social rates
4. Housing developments should be sited near to existing or proposed public, mass and active transport facilities, not based on ever increasing road traffic
5. Seek greater developer contributions to expand rail capacity and bus services and cycle paths
6. All housebuilding and other development should meet zero-carbon standards or better.

7. Strategic planning should reduce the need to travel by building homes near to employment sites
8. The priority for transport investment should be in the rail network (e.g. an electrified East-West rail, electrification of the Didcot-Oxford line, re-opening of Grove Station), improved bus (and similar) services, and substantial investment in 'active travel' – including cycle and pedestrian infrastructure - within and between settlements
9. Opposition to the proposed Oxford-Cambridge Expressway
10. Increasing biodiversity, protecting landscapes, capturing carbon naturally and increasing access for residents to green spaces
11. Genuine consultation with the public on the rate of growth and housing development to produce plans that carry genuine public support
12. Genuine democratic accountability and scrutiny for any plans or strategies that come forward (i.e. we do not support basing spatial planning solely on the Local Industrial Strategy which faced no democratic scrutiny.)
13. Spatial planning decisions to be informed by strong evidence
14. Flexibility in plans and strategies in order to take account of changing circumstances and public opinion

This Council is positive about working with other Oxfordshire authorities, regional colleagues and the Government to deliver growth where it is sustainable, and to provide housing that meets residents' needs. Strategies and plans to achieve this should be based on the above positions.

The majority of councillors welcomed the motion which provided both officers and lead councillors with guidance on the priorities of the new administration and a clear direction of travel particularly in respect of measures to address the climate emergency.

After debate and on being put to the vote the motion was agreed.

**RESOLVED:**

That Council notes that a hierarchy of organisations has grown up which influence regional development, some more accountable than others. These are collectively making increasing incursions into the decision-making abilities of elected local councils and placing significant growth demands on our districts.

These organisations or bodies include:

- England's Economic Heartland
- The Oxford-Cambridge Arc Region
- The Oxfordshire Growth Board (and associated Oxfordshire 2050 Joint Statutory Spatial Plan)
- OxLEP (and the Local Industrial Strategy)

Council notes that officers and members attend meetings related to these bodies, and welcomes the opportunity for regional collaboration, as many of us share the same concerns, but wishes to update its formal position to assist those representing our district.

This Council believes that development within our district must balance the needs of people and their communities, the environment and the local economy. Specifically, it should contribute to this Council's (and the Government's) commitment to carbon neutrality.

It should be based on genuine consultation and demonstrable public support.

It should ensure that infrastructure, both strategic and local, is in place to support development, with the aim of building communities, not just houses.

This Council supports the following approaches **in relation to regional economic growth**:

1. Planned development should demonstrate how it will help our economy move towards its zero-carbon target
2. Housing targets should be based on an up-to-date objective assessment of need
3. Planned housing should reflect the needs of the local community, offering a range of sizes and tenures including genuinely affordable housing to buy, and rent at affordable and social rates
4. Housing developments should be sited near to existing or proposed public, mass and active transport facilities, not based on ever increasing road traffic
5. Seek greater developer contributions to expand rail capacity and bus services and cycle paths
6. All housebuilding and other development should meet zero-carbon standards or better.
7. Strategic planning should reduce the need to travel by building homes near to employment sites
8. The priority for transport investment should be in the rail network (e.g. an electrified East-West rail, electrification of the Didcot-Oxford line, re-opening of Grove Station), improved bus (and similar) services, and substantial investment in 'active travel' – including cycle and pedestrian infrastructure - within and between settlements
9. Opposition to the proposed Oxford-Cambridge Expressway
10. Increasing biodiversity, protecting landscapes, capturing carbon naturally and increasing access for residents to green spaces
11. Genuine consultation with the public on the rate of growth and housing development to produce plans that carry genuine public support
12. Genuine democratic accountability and scrutiny for any plans or strategies that come forward (i.e. we do not support basing spatial planning solely on the Local Industrial Strategy which faced no democratic scrutiny.)
13. Spatial planning decisions to be informed by strong evidence
14. Flexibility in plans and strategies in order to take account of changing circumstances and public opinion

This Council is positive about working with other Oxfordshire authorities, regional colleagues and the Government to deliver growth where it is sustainable, and to provide housing that meets residents' needs. Strategies and plans to achieve this should be based on the above positions.

## **2. Motion proposed by Councillor Bob Johnston and seconded by Councillor Cheryl Briggs**

The Vale of White Horse District Council welcomes the progress made on climate change in as much as Environmental, Social and Governance issues are now recognised as a risk to the Oxfordshire Local Government Pension Scheme. However, it would now like matters to be taken further.

Council requests that the Leader writes to the Chair of the Oxfordshire Pensions Committee asking them to consider as part of its new investment strategy for the Brunel Partnership investing in a passive low carbon fund, now that one is available, and that generates similar financial returns to the wider investment market.

The majority of councillors supported the motion because climate change and investment in fossil fuels present a long term financial risk to the pension fund. As members of the pension fund, the council had a fiduciary duty to protect the pension fund from long-term financial risk associated with the investment in fossil fuels. Fossil fuel divestment and investment in low carbon funds was financially responsible and consistent with the funds' responsibilities.

After debate and on being put to the vote the motion was agreed.

**RESOLVED:**

That Vale of White Horse District Council welcomes the progress made on climate change in as much as Environmental, Social and Governance issues are now recognised as a risk to the Oxfordshire Local Government Pension Scheme. However, it would now like matters to be taken further.

Council requests that the Leader writes to the Chair of the Oxfordshire Pensions Committee asking them to consider as part of its new investment strategy for the Brunel Partnership investing in a passive low carbon fund, now that one is available, and that generates similar financial returns to the wider investment market.

**3. Motion proposed by Councillor Sarah Medley and seconded by Councillor Amos Duveen**

“Council notes that Non-UK EU nationals are part of our shared communities. They are our husbands, wives, parents, friends and colleagues. They are an integral part of our vibrant and thriving district and local economy.

Since 2016 EU nationals were promised again and again that "there will be no change for EU citizens already lawfully resident in the UK and [...] will be treated no less favourably as they are at present". After three years of living in limbo, their homes and livelihoods are yet again being threatened by the further uncertainty brought about by the prospect of a chaotic no-deal Brexit.

Council recognises that some businesses in the Vale report that the uncertainty around Brexit is making it harder for them to recruit and retain staff who are non-UK EU nationals.

Council notes that much work has been undertaken, and significant cost to the public purse, by this council and other public bodies to ensure it can maintain access to key services, should Brexit happen.

But, according to the Home Office's June statistics, only a third of non-UK EU nationals had applied for Settled Status and many of them had been granted the inferior Pre-Settled. There is no way of knowing exactly how many EU nationals need to apply, leaving vulnerable non-UK EU nationals at risk of becoming unlawful residents. Lack of clarity regarding differentiating between EU citizens arriving before and after the UK's exit from the EU could lead to discrimination in the labour market and may prevent many from accessing the services that they are entitled to.

Therefore, Council asks that:

1. Officers prepare a report to the Leader (to be shared with all members) on what more the Council may be able to do to mitigate adverse impacts on the rights of non-UK EU nationals (including but not limited to, informing landlords and employers about immigration status and therefore avoid potential discrimination against non-UK EU nationals)
2. The Leader of the Council writes to the Home Secretary to ask that the current European Settlement Scheme is clarified by:
  - a. Providing a clear deadline for application to the EUSS in case of no-deal exit from the EU
  - b. Providing physical proof of settled status that can be used to access services
  - c. Confirming that there will be no changes to the rights of settled non-UK EU citizens that they currently have by ratifying the Immigration Bill as primary legislation before the exit day”.

Ms Alexandrine Kantor addressed Council in support of the motion. She stressed it was important to seek ways to reach and help EU citizens understand the process required to obtain EU settled status to mitigate against the risk of discrimination and address the uncertainty being experienced by many EU citizens.

Councillors expressed the view that non-UK EU nationals are an integral and valuable part of the community and that the council should do everything possible to ensure information and clarity is provided to those affected.

After debate and on being put to the vote the motion was agreed.

**RESOLVED:**

That Council notes that Non-UK EU nationals are part of our shared communities. They are our husbands, wives, parents, friends and colleagues. They are an integral part of our vibrant and thriving district and local economy.

Since 2016 EU nationals were promised again and again that "there will be no change for EU citizens already lawfully resident in the UK and [...] will be treated no less favourably as they are at present". After three years of living in limbo, their homes and livelihoods are yet again being threatened by the further uncertainty brought about by the prospect of a chaotic no-deal Brexit.

Council recognises that some businesses in the Vale report that the uncertainty around Brexit is making it harder for them to recruit and retain staff who are non-UK EU nationals.

Council notes that much work has been undertaken, and significant cost to the public purse, by this council and other public bodies to ensure it can maintain access to key services, should Brexit happen.

But, according to the Home Office's June statistics, only a third of non-UK EU nationals had applied for Settled Status and many of them had been granted the inferior Pre-Settled. There is no way of knowing exactly how many EU nationals need to apply, leaving vulnerable non-UK EU nationals at risk of becoming unlawful residents. Lack of clarity regarding differentiating between EU citizens arriving before and after the UK's exit from the EU could lead to discrimination in the labour market and may prevent many from accessing the services that they are entitled to.

Therefore, Council asks that:

1. Officers prepare a report to the Leader (to be shared with all members) on what more the Council may be able to do to mitigate adverse impacts on the rights of non-UK EU nationals (including but not limited to, informing landlords and employers about immigration status and therefore avoid potential discrimination against non-UK EU nationals)

2. The Leader of the Council writes to the Home Secretary to ask that the current European Settlement Scheme is clarified by:

- a. Providing a clear deadline for application to the EUSS in case of no-deal exit from the EU
- b. Providing physical proof of settled status that can be used to access services
- c. Confirming that there will be no changes to the rights of settled non-UK EU citizens that they currently have by ratifying the Immigration Bill as primary legislation before the exit day.

**4. With the agreement of Council, Councillor Andrew Crawford moved an altered motion from that set out in the agenda, seconded by Councillor Patrick O’Leary, to take account of a proposed amendment. Additional words are shown in bold with deleted words shown by a strikethrough**

“Council notes that the re-routing arrangements for scheduled closures of the A34 in southern Oxfordshire are creating a totally intolerable blight on the lives of many of the residents of Wantage, Charlton Ward and further afield. These closures, which typically operate between 10pm and 6am, re-route traffic on to the A338 and the A417. In the 3 months to the end of October 2019 closures will have occurred on 25 occasions. Council further notes that the consequence of these arrangements ~~are~~ **is** to divert very high volumes of traffic, much of it heavy commercial, from a Designated Primary Route to minor roads, occasionally single lane, not considered suitable for heavy traffic in built up residential areas. Residents of impacted houses report that this creates intolerable noise, sleep deprivation and vibration and structural damage to properties, as many of their homes are only a matter of feet away from the highway. Council is also aware that the diversions create significant road safety issues and that damage has occurred to Infrastructure and other vehicles.

Council is aware that **alternatives exist, including re-routing via a designated Primary Route or introducing a contraflow system on the A34 itself.** ~~previously, when OCC was responsible for maintaining the A34, the official diversion was via the A420, itself a designated Primary Route, but that following the transfer of responsibility to Highways England, and its contractor Kier Group plc, this policy was altered~~ Furthermore, Council is concerned that any future re-routing scheme ~~via the A420~~ may be ineffective ~~if it is advisory and voluntary rather than mandatory~~ **due to increased use of satellite navigation systems which could risk the use of rat runs.**

Therefore, Council requests that the Scrutiny Committee consider including this matter in their work programme, noting that Scrutiny has the power to invite parties such as Highways England, OCC, Thames Valley Police, Kier Group plc and Wantage Traffic Diversion Group to attend any such meeting”.

Councillors supported the motion noting that the risks, inconvenience and costs associated with the current arrangements were not acceptable.

After debate and on being put to the vote the motion was agreed.

**RESOLVED:** That

Council notes that the re-routing arrangements for scheduled closures of the A34 in southern Oxfordshire are creating a totally intolerable blight on the lives of many of the residents of Wantage, Charlton Ward and further afield. These closures, which typically operate between 10pm and 6am, re-route traffic on to the A338 and the A417. In the 3 months to the end of October 2019 closures will have occurred on 25 occasions. Council further notes that the consequence of these arrangements is to divert very high volumes of traffic, much of it heavy commercial, from a Designated Primary Route to minor roads, occasionally single lane, not considered suitable for heavy traffic in built up residential areas. Residents of impacted houses report that this creates intolerable noise, sleep deprivation and vibration and structural damage to properties, as many of their homes are only a matter of feet away from the highway. Council is also aware that the diversions create significant road safety issues and that damage has occurred to Infrastructure and other vehicles.

Council is aware that alternatives exist, including re-routing via a designated Primary Route or introducing a contraflow system on the A34 itself. Furthermore, Council is concerned that any future re-routing scheme may be ineffective due to increased use of satellite navigation systems which could risk the use of rat runs.

Therefore, Council requests that the Scrutiny Committee consider including this matter in their work programme, noting that Scrutiny has the power to invite parties such as Highways England, OCC, Thames Valley Police, Kier Group plc and Wantage Traffic Diversion Group to attend any such meeting.

**Co.39 Questions on notice**

No questions were submitted by councillors under Council procedure rule 33.

The meeting closed at 9.10pm

# Cabinet Report



Report of Head of Planning

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Wards affected: Marcham

Cabinet member responsible: Cllr. Emily Smith

Tel: 01235 422644

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To: CABINET

Date: 6 December 2019

## Making the Wootton and St Helen Without Neighbourhood Development Plan

### That Cabinet recommends to Council:

1. To make the Wootton and St Helen Without Neighbourhood Development Plan so that it continues to be part of the council's development plan.
2. To delegate to the Head of Planning, in consultation with the Leader of the Council and in agreement with the Qualifying Body, the correction of any spelling, grammatical, typographical or factual errors together with any improvements from a presentational perspective.

### Purpose of Report

1. To provide an update to the Cabinet on the progress of the Wootton and St Helen Without Neighbourhood Development Plan and to present the relevant considerations in relation to whether this plan should be made (formally adopted).

### Corporate Objectives

2. Strongly supporting the development of neighbourhood plans for our towns and villages.

## Background

3. Wootton Parish Council successfully applied for the parishes of Wootton and St Helen Without to be designated as a Neighbourhood Area under the Neighbourhood Planning (General) Regulations (2012).
4. The preparation of the Wootton and St Helen Without Neighbourhood Development Plan (the Plan was led by the parish council ('the qualifying body') and a group of volunteers from the local community.
5. Following the formal submission of the Plan to the council, the council as required by the regulations publicised the Plan and invited comments from the public and stakeholders.
6. The council appointed Mr Andrew Ashcroft to independently examine the Plan. Examiners are tasked with reviewing whether a neighbourhood plan meets the basic conditions required by legislation and whether it should proceed to referendum. The examiner's report concluded that the Plan meets the basic conditions, and that subject to the modifications proposed in his report, the Plan should proceed to referendum.
7. The modifications proposed by the Examiner are largely minor in nature; re-wording and restructuring for clarity and to ensure the basic conditions are met. A full copy of the proposed modifications to the Plan are set out in the Examiner's Final Report<sup>1</sup>. A few significant modifications were recommended by the examiner including:
  - (a) Deletion of Local Green Spaces C (Hawthorn Avenue), D (Sycamore Close and Faringdon Road) and H (Rookery Close) on the basis that they would be inconsistent with LPP2. Deletion of Local Green Spaces I (West of Starveall Farmhouse) and L (Officers Mess) as it could not be concluded that they would endure beyond the plan period.
  - (b) Removal of map showing the 'Separation of Settlements' and amendments to the policy as it was considered the submitted policy was more restrictive than national Green Belt policy and was not in conformity with LPP1. Furthermore the maps showed areas of a strategic scale. The policy was amended to retain the intention but not specifically define the Green Gaps.
  - (c) Amendments were made to the policy on Dalton Barracks to bring it in line with the policy within LPP2, whilst retaining a green buffer between the allocation and Shippon.
8. Having considered the examiner's recommendations and reasons for them, Vale of White Horse District Council's Leader of the Council decided on 5 September 2019:
  - 1) to accept all modifications recommended by the Examiner;
  - 2) to determine that the Wootton and St Helen Without Neighbourhood Development Plan, as modified, meets the basic conditions, is compatible with

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<sup>1</sup> Independent Examiner's Report to Vale of White Horse District Council on the Wootton and St Helen Without Neighbourhood Development Plan (2019), available at: <http://www.whitehorsedc.gov.uk/sites/default/files/Wootton%20and%20St%20Helen%20Without%20Neighbourhood%20Development%20Plan%20-%20Examiner's%20Final%20Report.pdf>

the Convention rights<sup>2</sup>, complies with the definition of a neighbourhood development plan (NDP) and the provisions that can be made by a NDP; and

3) to take all appropriate actions to progress the Wootton and St Helen Without Neighbourhood Development Plan to referendum.

9. The modifications to the Plan were made and the referendum version of the Plan was published on 12 September 2019 alongside the decision statements required under Regulation 18(2)(a) of the Regulations (2012).

## Options

10. The council's options are limited by statute. Paragraph 38A (4)(a) of the Planning and Compulsory Purchase Act 2004 sets out that the council must make a neighbourhood plan if more than half of those voting at the referendum have voted in favour of the plan being used to help decide planning applications in the plan area.

11. The only circumstance where the district council should not make this decision is where the making of the plan would breach, or would otherwise be incompatible with, any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998).

12. Section 3 of the Neighbourhood Planning Act 2017, which came into force on 19 July 2017, amends section 38 of the Planning and Compulsory Purchase Act 2004 to ensure that neighbourhood plans have full legal effect once they have passed their local referenda. In the very limited circumstances that the council might decide not to make the neighbourhood development plan, it will cease to be part of the development plan for the area.

13. The Basic Conditions statement (specifically section 6) submitted alongside the Wootton and St Helen Without Neighbourhood Plan explores the Plan's compatibility with EU obligations and legislation and concludes that the Plan has regard to the fundamental rights and freedoms guaranteed under the European Convention on Human Rights and complies with the Human Rights Act, 1998. The council's decision on 5 September 2019 (referred to in paragraph 8), published in the decision statement issued 12 September 2019 (referred to in paragraph 9), confirmed that the Wootton and St Helen Without Neighbourhood Development Plan, as modified by the Examiner's recommendations, would not breach, nor otherwise be incompatible with EU obligations or human rights legislation.

14. Therefore, if the majority of those voting have voted in favour of the Wootton and St Helen Without Neighbourhood Plan being used to help decide planning applications in the plan area, to not make the plan would be in breach of these statutory provisions.

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<sup>2</sup> *Convention rights* are defined in the Human Rights Act 1998 as (a) Articles 2 to 12 and 14 of the European Convention on Human Rights ("the Convention"), (b) Articles 1 to 3 of its First Protocol, and (c) Article 1 of its Thirteenth Protocol, as read with Articles 16 to 18 of the Convention. The Convention rights that are most likely to be relevant to town and country planning are those under the Convention's Article 6(1), 8 and 14 and under its First Protocol Article 1.

## Referendum

15. A referendum relating to the adoption of the Wootton and St Helen Without Neighbourhood Development Plan was held on Thursday 24 October 2019.
16. The question which was asked in the Referendum was: *“Do you want Vale of White Horse District Council to use the Neighbourhood Plan for Wootton and St Helen Without to help it decide planning applications in the neighbourhood area?”*
17. The result was as follows:
  - a) Yes = 544 votes (89.3%)
  - b) No = 64 votes (10.5%)
  - c) Turnout = 17.1%
18. The majority of local electors who voted, voted in favour of the Plan; therefore, the Wootton and St Helen Without Neighbourhood Plan has become part of the council's development plan.
19. As the plan was approved at the local referendum and the council is satisfied it would not breach and be otherwise incompatible with EU obligations or human rights legislation, the council is required to make the Wootton and St Helen Without Neighbourhood Development Plan so that it continues to be part of the council's development plan.

## Financial Implications

20. The Government makes funding available to local authorities to help them meet the cost of their responsibilities around neighbourhood planning. A total of £20,000 can be claimed for each neighbourhood planning area. The council becomes eligible to apply to receive this single payment once a date is set for the referendum, after a successful examination. The Government grant funds the process of progressing neighbourhood plans through the formal stages, including the referendum. Any cost incurred in the formal stages in excess of £20,000 is borne by the council. Staffing costs associated with supporting community groups and progressing neighbourhood plans through the formal stages are funded by the council.

## Legal Implications

21. The decision to make the Wootton and St Helen Without Neighbourhood Plan is a legal requirement in the Planning and Compulsory Purchase Act 2004. The only circumstance where the district council should not make this decision is where the making of the plan would breach, or would otherwise be incompatible with, any EU obligation or any of the Convention rights (within the meaning of the Human Rights Act 1998). There is a requirement that the district council will publish a formal decision statement as required under the Neighbourhood Planning (General) Regulations 2012.
22. It is not considered that the Wootton and St Helen Without Neighbourhood Development Plan would breach, or would otherwise be incompatible with, any such obligation or rights. Therefore, the council should now proceed to make the plan.

## **Risks**

23. The council is required to comply with the statutory requirements (to consider whether the Wootton and St Helen Without Neighbourhood Development Plan should be made following successful local referendum), which this recommendation seeks to achieve. In view of the considerations referred to elsewhere in this report, as the majority of those voting have voted in favour of the plan at its local referendum, a decision not to make the plan would place the council at risk of a legal challenge.

## **Conclusion**

24. On the 5 September 2019, the council decided:

- 1) to accept all modifications recommended by the Examiner;
- 2) to determine that the Wootton and St Helen Without Neighbourhood Development Plan, as modified, meets the basic conditions, is compatible with the Convention rights, complies with the definition of a neighbourhood development plan (NDP) and the provisions that can be made by a NDP; and
- 3) to take all appropriate actions to progress the Wootton and St Helen Without Neighbourhood Development Plan to referendum.

25. The local referendum was held on 24 October 2019 to meet the requirements of The Localism Act 2011 and The Neighbourhood Planning (Referendums) Regulations 2012.

26. As the majority of those voting have voted in favour of the Plan being used to help decide planning applications in the plan area, it is recommended that the Wootton and St Helen Without Neighbourhood Development Plan is made.

# Joint Audit and Governance Committee



Report of Head of Finance/Financial Accountant (Capita)

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To: Joint Audit and Governance Committee, Cabinet and Council

DATE: 14 October 2019 by Joint Audit and Governance Committee

05 December 2019 (S) / 06 December 2019 (V) by Cabinet

19 December 2019 (S) / 18 December 2019 (V) by Council

## Treasury Outturn 2018-19

That Joint Audit and Governance Committee:

1. notes the treasury management outturn report 2018/19,
2. is satisfied that the treasury activities are carried out in accordance with the treasury management strategy and policy, and
3. make any comments and recommendations to Cabinets as necessary.

That Cabinet:

Considers any comments from Joint Audit and Governance Committee and recommends Council to:

1. approve the treasury management outturn report for 2018/19;
2. approve the actual 2018/19 prudential indicators within the report.

## **Purpose of report**

1. This report fulfils the legislative requirements to ensure the adequate monitoring and reporting of the treasury management activities and that the councils' prudential indicators are reported to the councils at the end of the year. The report provides details of the treasury activities for the financial year 2018/19.
2. This complies with the requirements of the Chartered Institute of Public Finance and Accountancy (CIPFA's) Code of Practice on Treasury Management.

## **Strategic objectives**

3. Effective treasury management is required to help the councils meet their strategic objectives.

## **Background**

4. The councils' treasury activities are strictly regulated by legislation. The CIPFA Prudential Code and CIPFA Treasury Management Code of Practice require a report to be provided to the councils at the end of the financial year.
5. This report provides details on the treasury activity and performance for 2018/19 against prudential indicators and benchmarks set for the year in the 2018/19 Treasury Management Strategy (TMS), approved by each council in February 2018. Each council is required to approve this report.
6. Link Asset Services are the councils' retained treasury advisors.
7. On 1 August 2016, the operational treasury management staff were outsourced to Capita. The executive decision making function remains with the head of finance.
8. There are three types of investment, the performance of which is covered in this report
  - a. True treasury investments – these investments are primarily for generating interest for the councils. Examples of these are loans to banks or other local authorities. It also includes investments in property funds.
  - b. Non-treasury loans – these are loans to third parties, which earn a return, but they do not fall under the strict definition of a treasury investment.
  - c. Property investments - both councils have investment properties let on commercial basis. The primary purpose of holding these assets is for investment purposes and they are not part of regeneration schemes.
9. The councils continue to invest with regard for security, liquidity and yield, in that order.

## **Economic conditions and factors effecting investment returns during 2018/19**

10. UK bank base rates were increased to 0.75 per cent in August 2018, having been set at 0.50 per cent since November 2017. Link Asset Services provide a regular forecast of interest rates and the latest forecast is reproduced in **appendix A**. This

forecast shows that base rates are expected to rise in late 2020, with two further increases over the next two years. An increase in inflationary pressures is likely and this, coupled with rising wage inflation, would mean more consumer spending power and therefore a rise in interest rates.

11. The TMS makes clear that investment priority is given to the security of principal in the first instance. As a result, investments have only been made with counterparties of high credit quality and low risk. Since the global banking crisis and the downgrading of the credit ratings of many banks, it has become increasingly difficult to place money at competitive rates, as institutions with high credit ratings have been offering lower rates.
12. Average treasury investment balances were higher for both councils than expected in the year. This arose from a combination of accumulated revenue and capital surpluses/slippage and unbudgeted grant receipts. This was also the case in 2017/18. More cash to invest has been a factor in the surplus of treasury investment income over budget in the year for VOWHDC.
13. Investments that have helped to keep yields up for both councils include longer term investments taken out when rates were higher, such as the CCLA property fund at both councils, and the unit trusts at South.
14. Outlook for 2019/20 – as discussed above, interest rates are expected to rise slowly over the next three years. In order to reduce risk, efforts are being made to rebalance the treasury portfolio to reduce the value held by building societies. Other counterparties used by the council are other councils and housing associations.

## Summary of investment activities during 2018/19

15. Prudential limits (security). Both councils are required by the Prudential Code to report on the limits set each year in the TMS. The purpose of these limits is to ensure that the activity of the treasury function remains within certain parameters, thereby mitigating risk and reducing the impact of an adverse movement in interest rates. However, if these limits are set to be too restrictive they may impair the opportunities to reduce costs/improve performance. These limits are shown in **appendix B**.

16. Yield - the performance of the two councils is summarised in the tables below.

South		Treasury investments £000	Non treasury loan £000	Sub Total £000	Property investment £000	Overall total £000
1	Average investment balance	151,513	15,000	166,513	6,456	172,969
2	Budgeted investment income	2,317	623	2,940		
3	Actual investment income	2,018	623	2,641	318	2,959
4	surplus/(deficit) (3) - (2)	(299)	0	(299)		
5	Rate of return (3) ÷ (1)	1.33%	4.15%	1.59%	4.92%	1.71%

Vale		Treasury investments £000	Property investment £000	Overall total £000
1	Average investment balance	84,161	7,062	91,223
2	Budgeted investment income	450		
3	Actual investment income	933	357	1,290
4	surplus/(deficit) (3) - (2)	483		
5	Rate of return (3) ÷ (1)	1.11%	5.06%	1.41%

17. VVHDC has exceeded treasury budgeted investment income this year in terms of both actual income against budget and rates of return against benchmark. SODC exceeded in terms of rates of return against benchmark. SODC has 0.3 million deficit compared to treasury budgeted investment income, mainly due to interest rates not increasing in 2018/19 as expected when the budget was set. More detail on benchmarks is included in the appendices that follow this report.

18. Detailed reports on the treasury activities for each council and performance for 2018/19 against prudential indicators and benchmarks set for the year are contained in **appendix C** – South Oxfordshire DC and **appendix D** – Vale of White Horse DC.

19. A detailed list of both councils' treasury investments as at 31 March 2019 is shown at **appendix E**.

### Debt activity during 2018/19

20. During 2018/19, there has not been a need for either council to borrow and both councils continue to take a prudent approach to their debt strategy. The prudential indicators and limits set out in **appendix B** provide the scope and flexibility for the Council to borrow in the short-term, if such a need arose, for cash flow purposes to support the council(s) in the achievement of their service objectives.

### Financial implications

21. The treasury investments made in 2018/19 ensured over £2 million of actual investment income achieved for SODC during year and over £0.9 million received for VVHDC. Income earned from investments supports the councils' medium term financial plans and contributes to the councils' balances or supports the in-year expenditure programmes.

22. Looking forward, income is anticipated to remain stable with any increase due to ongoing surplus cash balances and rises in market rates offset by a general reduction in the balances available to invest. This will be reflected in the councils' 2019/20 budgets and medium term financial plans.

### Legal implications

23. There are no significant legal implications. Compliance with the CIPFA Code of Practice for Treasury Management in the Public Services and the DCLG Local Government Investment Guidance provides assurance that the councils' investments are, and will continue to be, within their legal powers.

## **Conclusion**

24. Despite a difficult operating environment, both councils continued to make investments during 2018/19 that maintained security and liquidity whilst providing a return that exceeded market benchmarks.

## **Background papers**

- Chartered Institute of Public Finance and Accounting (CIPFA) code of practice for treasury management in the public sector.
- DCLG Local Government Investment Guidance
- CIPFA treasury management in the public services code of practice and cross sectoral guidance notes
- Treasury Management Strategy 2018/19 – Councils in February 2018.

## **Appendices**

- A. Interest rate forecasts
- B. Prudential limits
- C. SODC – Treasury activities 2018-2019
- D. VWHDC – Treasury activities 2018-2019
- E. Treasury investments as at 31 March 2019
- F. Glossary of terms

## Appendix A

### Interest rate forecast as at July 2019

The table below shows Link Asset Services' forecast of the expected movement in medium term interest rates:

	Sep 19	Dec 19	Mar 20	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22
<b>BANK RATE</b>	0.75	0.75	0.75	0.75	1.00	1.00	1.25	1.25	1.50	1.50	1.50
<b>3 m LIBID</b>	0.70	0.70	0.70	0.80	0.90	1.00	1.20	1.30	1.40	1.40	1.40
<b>6 m LIBID</b>	0.80	0.90	0.80	0.90	1.00	1.20	1.40	1.50	1.60	1.60	1.60
<b>12 m LIBID</b>	1.00	1.00	1.10	1.20	1.30	1.40	1.50	1.60	1.70	1.80	1.80
<b>5 yr PWLB</b>	1.50	1.60	1.70	1.80	1.90	2.00	2.10	2.10	2.20	2.30	2.40
<b>10 yr PWLB</b>	1.80	1.90	2.00	2.10	2.20	2.30	2.40	2.50	2.60	2.60	2.70
<b>25 yr PWLB</b>	2.40	2.50	2.60	2.70	2.80	2.90	3.00	3.00	3.10	3.20	3.30
<b>50 yr PWLB</b>	2.30	2.40	2.50	2.60	2.70	2.80	2.90	2.90	3.00	3.10	3.20

## Prudential limits (indicators) as at March 2019

Prudential indicators as at 31 March 2019				
	Vale		South	
	Original estimate £m	Actual position £m	Original estimate £m	Actual position £m
<b>Authorised limit for external debt</b>				
Borrowing	30	0	30	0
Other long term liabilities	5	0	0	0
	<b>35</b>	<b>0</b>	<b>30</b>	<b>0</b>
<b>Operational boundary for external debt</b>				
Borrowing	25	0	25	0
Other long term liabilities	5	0	0	0
	<b>30</b>	<b>0</b>	<b>25</b>	<b>0</b>
<b>Investments</b>				
<b>Interest rate exposures</b>				
Limits on fixed interest rates %	100%	95%	100%	93%
Limits on variable interest rates £	50	4	50	9
<b>Maximum principal sums invested &gt; 364 days</b>				
Upper limit for principal sums invested > 364 days £	40	11	70	18
Limit to be placed on investments to maturity				
1 - 2 years	NA	NA	NA	NA
2 - 5 years	NA	NA	NA	NA
5 years +	NA	NA	NA	NA

**Prudential indicators – explanatory note****Debt**

There are two limits on external debt: the ‘Operational Boundary’ and the ‘Authorised Limit’. Both are consistent with the current commitments, existing plans and the proposals in the budget report for capital expenditure and financing, and with approved treasury management policy statement and practices. They are both based on estimates of most likely, but not worst case, scenario.

The key difference is that the Authorised Limit cannot be breached without prior approval of the Council. It therefore includes more headroom to take account of eventualities such as delays in generating capital receipts, forward borrowing to take advantage of attractive interest rates, use of borrowing in place of operational leasing, “invest to save” projects, occasional short term borrowing to cover temporary revenue cash flow shortfalls as well as an assessment of risks involved in managing cash flows.

The Operational Boundary is a more realistic indicator of the likely position.

**Interest rate exposures**

The maximum proportion of interest on borrowing which is subject to fixed/variable rate of interest.

## **Investments**

### **Interest rate exposure**

The purpose of these indicators is to set ranges that will limit exposure to interest rate movement. The indicator required by the Treasury Management Code considers the net position of borrowing and investment and is based on principal sums outstanding.

### **Principal sums invested**

This indicator sets a limit on the level of investments that can be made for more than 364 days.

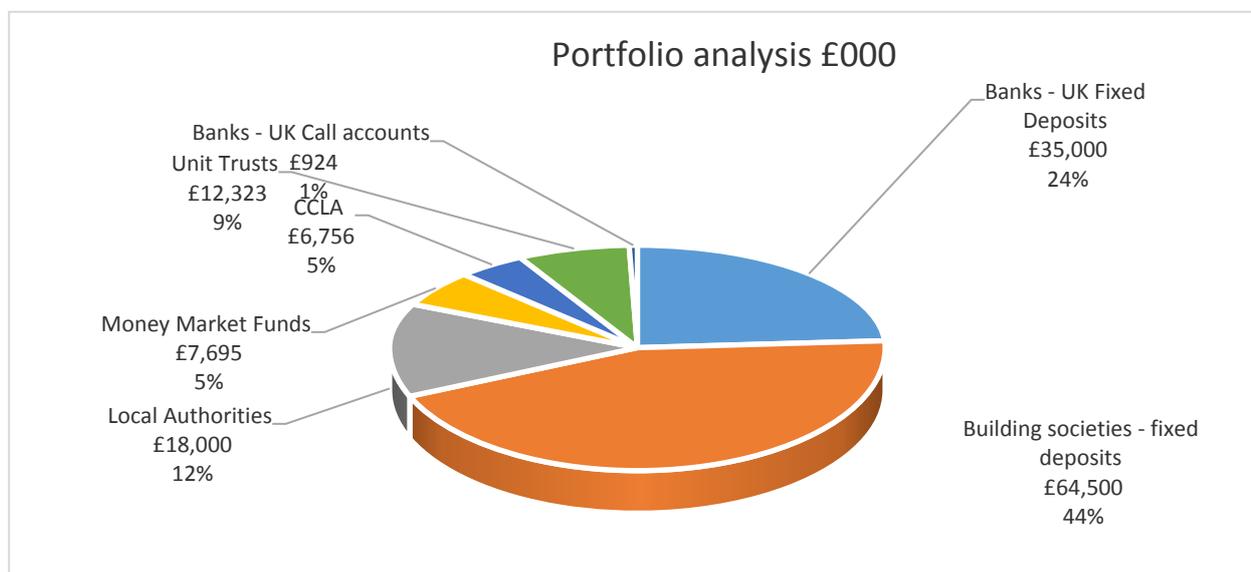
## SODC treasury activities in 2018/19

### Council treasury investments as at 31 March 2019

1. The council's treasury investments, analysed by age as at 31 March 2019 were as follows:

Table 1: maturity structure of investments at 31 March 2019:		
	£000	% holding
Call	924	1%
Money market fund	7,695	5%
<b>Cash available within 1 week</b>	<b>8,619</b>	<b>6%</b>
Up to 4 months	61,500	42%
5-6 months	9,000	6%
6 months to 1 year	40,000	28%
Over 1 year	7,000	5%
Kaupthing Singer & Friedlander	222	0%
<b>Total cash deposits</b>	<b>126,342</b>	<b>86%</b>
CCLA Property Fund	6,756	5%
Equities	12,323	8%
<b>Total investments</b>	<b>145,420</b>	<b>100%</b>

2. Most of the funds invested are held in the form of fixed interest rate and term cash deposits. These provide some certainty over the investment return.
3. The investment profile is organised in order to ensure sufficient liquidity for revenue and capital activities, security of investments and to manage risks within all treasury management activities.
4. The chart below shows in percentage terms how the portfolio above is spread across the investment types:



**Treasury investment income**

5. The total income earned on investments during 2018/19 was £2 million, compared to the original budget of £2.3 million, as shown in table 2 below:

<b>Table 2: Investment interest earned by investment type</b>			
<b>Investment type</b>	<b>Annual Budget £000</b>	<b>Actual Interest £000</b>	<b>Variation £000</b>
Fixed term and call	1,568	1,366	(202)
Equities	456	358	(98)
CCLA property fund	294	293	(0)
	2,317	2,018	(299)

6. The actual return achieved was £0.3 million less than the original budget. This was due to:

- Interest earned on cash deposits was £0.2 million lower than forecast principally due to interest rates not increasing as expected in the 2018/19 budget setting. The average rate received during 2018/19 was 1.73 per cent and the budget was set at a rate of 2.10 per cent.
- Dividend received on equities was £98,000 lower than forecast. This is partly due to a prior year correction.

7. The actual average rate of return on treasury investments for the year was 1.33 per cent (1.44 in 2017/18).

**Performance measurement**

8. A list of treasury investments as at 31 March 2019 is shown in **appendix E**. All investments were with approved counterparties. The average level of investments held was £151 million. Table 3 below shows in summary the performance of the council's treasury investments against the benchmarks set out in the TMS. These benchmarks are used to assess and monitor the council's treasury investment performance for each type of investment.

9. The £151 million does not represent the council's usable, cash backed reserves, which at 31 March 2019 totalled £114 million. The difference represents the council's working capital balance and capital grants received in advance of spend.

<b>Table 3: Treasury investment returns achieved against benchmark</b>				
	<b>Benchmark Return</b>	<b>Actual Return</b>	<b>Growth (Below)/above Benchmark</b>	<b>Benchmarks</b>
Bank & Building Society deposits - internally managed	0.71%	1.33%	0.62%	3 Month LIBID
Equities	2.16%	2.76%	0.60%	FTSE All Shares Index
Property related investments (excluding SOHA loan)*	3.59%	4.54%	0.95%	IPD balanced property unit trust index

## Appendix C

Note: the benchmark return for unit trusts and CCLA includes the movement in capital value. All other benchmarks reflect earnings of treasury investment income.

10. Returns on Bank and building society deposits (Call accounts, money market funds and fixed term deposits) are benchmarked against the three-month LIBID rate, which was an average of 0.71 per cent for 2018/19. The performance for the year of 1.33 per cent exceeded the benchmark by 0.62 per cent.
11. It remained difficult to place investments because of continued financial uncertainty. Some good rates were achieved which contributed to the increase in investment income during the year.
12. The CCLA property fund principal investment of £5 million (March 2013) increased in value during 2018/19 to £6.8 million. Dividends received in the year totalled £0.3 million. Both the capital appreciation and the interest earned are included in the performance of 4.54 per cent achieved above. The capital gain is however not realised and so for comparison purposes, the actual rate of return is interest as a factor of market value of holding being 3.59 per cent.
13. The performance of 4.54 per cent for CCLA includes accruals and therefore creates a marginal difference between councils on the calculated return achieved.

### Equities

14. The council's holdings with the Legal & General (L&G) UK 100 Index Trust were purchased in 2000/01 at an initial cost of £10 million. This is an authorised unit trust incorporated in the United Kingdom and regulated by the FSA. The trust's objective is to track the capital performance of the UK equity market as represented by the FTSE 100 index which represents 98-99 per cent of the UK market capitalisation.
15. The index shows the performance of all eligible companies listed on the London Stock Exchange main market and today covers 635 constituents with a combined value of nearly £2.3 trillion. It is recognised as the main benchmark for unit trusts.

<b>Table 4: Unit Trusts - Movement in capital</b>		
	£	£
Market Value as at 31.3.19		12,322,880
Less:		
Dividends received in year	281,338	
Accrued dividends	77,000	
		(358,338)
Amended market value as at 31.3.19		11,964,542
Market value as at 1.4.18		11,642,721
Increase in Market Value in year		321,821

## Appendix C

16. The increase above is compared to the performance of the stock market as a whole using the benchmarking in table 5 below. The fund's over performance of 0.60 per cent compared with the stock market equates to £70,350 in real terms.

<b>Table 5: Unit Trust performance</b>	
Increase in FTSE all share was	2.16%
Increase in Market Value	2.76%
Over-performance	<b>0.60%</b>
Market value as at 1.4.18	£ 11,642,721
Adjusted for FTSE change	251,471
Benchmark Market Value at 31.3.19	<b>11,894,191</b>
Amended market value as at 31.3.19	<b>11,964,542</b>
<b>Over performance</b>	<b>70,350</b>

17. The performance of the fund over the past three years is summarised in table 5.1 below. The justification for holding this investment is regularly reviewed.

<b>Table 5.1 Unit Trust past performance</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Performance against FTSE all share % (Under)/Over	(0.76%)	0.71%	0.60%
Performance against FTSE all share £000 (Under)/Over	(96,679)	95,067	70,350

18. Dividends received of £0.3 million were reinvested to acquire additional fund units.

19. Officers monitor the performance of the unit trust holding on a regular basis. When the market value reaches £14 million, a disposal of £2 million is made. No disposal took place during 2018/19.

### **Icelandic bank default – Kaupthing Singer & Friedlander**

20. The Council invested £2.5 million in July 2007 with the failed Icelandic bank Kaupthing Singer and Friedlander Ltd (KSF). The Council has received £2,256,317 to date in respect of the claim for £2.6 million (£2.5 million investment plus interest).

21. As a wholesale depositor, the Council is treated as an unsecured creditor in the administration process and ranks equally with all other unsecured creditors. The

administrators intend to make further payments at regular intervals. The latest creditors' report now indicates that the estimated total amount to be recovered should be in the range of 86.25p to 87p in the pound. In total terms, this would mean receiving between £2,269,094 and £2,288,826.

### **Non-treasury investment loan**

22. During 2013/14, the council entered into a secured loan agreement with SOHA to enable them to finance affordable housing schemes. The Council lent £15 million over 20 years at a fixed rate of 4.15 per cent. Interest is paid quarterly and during 2018/19, the council received £0.6 million.

### **Land and property**

23. The Council holds a portfolio of investment properties, which includes land, depots, garages, and shops that are let on a commercial basis. These assets had average net book value of £6.46 million during 2018/19 (£5.08 million at 31 March 2018) and generated income of £0.32 million in 2018/19 (£0.40 million in 2017/18) giving a gross rate of return of 4.92 per cent.

24. Due to movement in property values and the exclusion of whole life costs, these rates of return should not be taken as a direct comparison with the treasury rates.

### **Liquidity and yield**

25. The council uses short-term investments to meet daily cash-flow requirements and aims to invest a proportion of the portfolio over longer dated cash deposits where possible.

26. The amount maintained for liquidity was £8.6 million.

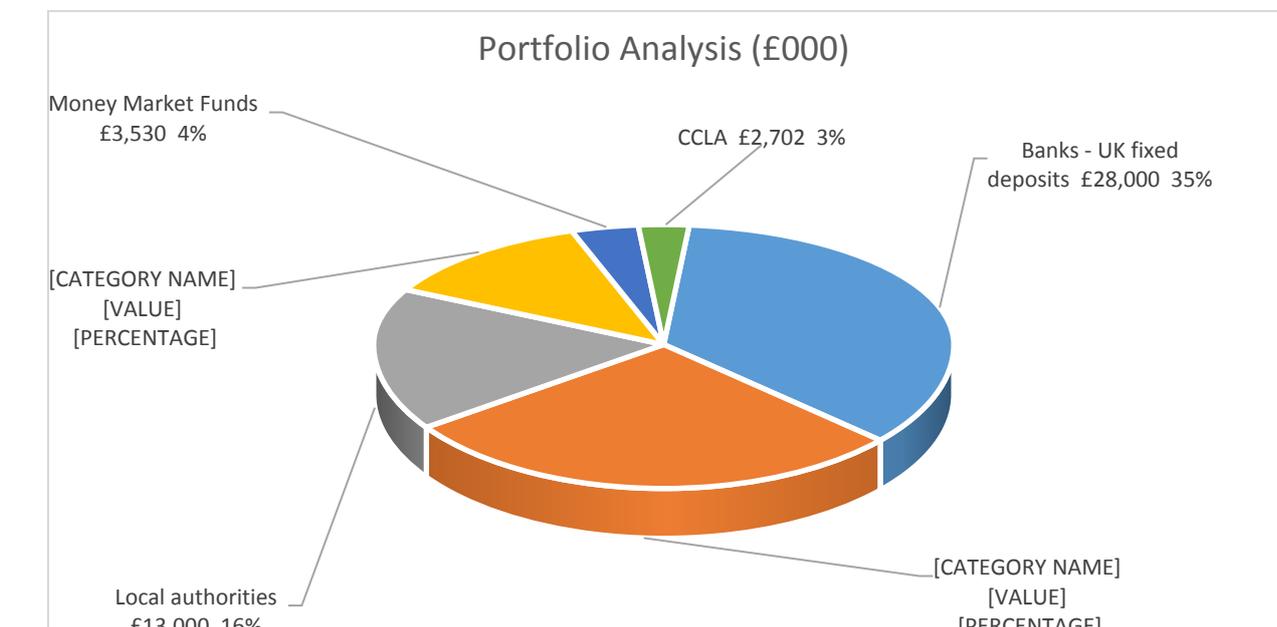
VWHDC detailed treasury performance in 2018/19

Council treasury investments as at 31 March 2019

1. The council’s treasury investments analysed by age as at 31 March 2019 were as follows:

Table 1: maturity structure of investments at 31 March 2019:		
	£000	% holding
Call	0	0%
Money market fund	3,530	4%
Cash available within 1 week	3,530	4%
Up to 4 months	12,000	15%
5-6 months	4,000	5%
6 months to 1 year	47,000	59%
Over 1 year	11,000	14%
<b>Total cash deposits</b>	<b>77,530</b>	<b>97%</b>
CCLA Property Fund	2,702	3%
<b>Total investments</b>	<b>80,232</b>	<b>100%</b>

2. Most of the funds invested are held in the form of fixed interest rate and term cash deposits. These provide some certainty over the investment return.
3. The investment profile is organised in order to ensure sufficient liquidity for revenue and capital activities, security of investments and to manage risks within all treasury management activities.
4. The chart below shows in percentage terms how the portfolio above is spread across investment types:



### Treasury investment income

5. The total interest earned on treasury investments during 2018/19 was £0.9 million compared to the original budget estimate of £0.4 million as shown in table 2 below:

Table 2: Investment interest earned by investment type			
Investment type	Annual Budget £000	Actual Interest £000	Variation £000
Fixed term and call	334	817	483
CCLA Property Fund	116	116	0
<b>Total Interest</b>	<b>450</b>	<b>933</b>	<b>483</b>

6. The actual return achieved was £0.5 million higher than the original budget. This was primarily due to average balances throughout the year remaining higher than forecast.
7. The total actual average interest rate achieved for the year was 1.11 per cent.

### Performance measurement

8. A list of treasury investments as at 31 March 2019 is shown in **appendix E**. All investments were with approved counterparties. The average level of investments held was £84 million. At 31 March 2019 the council's usable, cash backed reserves totalled £41 million. The difference represents working capital and capital grants received in advance. Table 3 below shows in summary the performance of the council's treasury investments against the benchmarks set out in the TMS. These benchmarks are used to assess and monitor the council's treasury investment performance for each type of investment.

Table 3: Treasury investment returns achieved against benchmark				
	Benchmark return	Actual return	Growth (below)/above Benchmark	Benchmarks
Internally managed - Bank & Building Society deposits	0.71%	1.11%	0.40%	3 month LIBID
Property related funds (CCLA)*	3.59%	5.06%	1.47%	IPD balanced property unit trust index

\*Source: CCLA Local Authorities Property Fund Report March 2019

9. Returns on bank and building society deposits (internally managed cash deposits) are benchmarked against the 3-month LIBID rate, which was an average of 0.71 per cent for 2018/19. The performance for the year of 1.11 per cent exceeded the benchmark by 0.40 per cent.
10. It remained difficult to place investments because of continued financial uncertainty. Some good rates were achieved which contributed to the increase in investment income during the year.

## Appendix D

11. The CCLA property fund principal investment of £2 million (April 2013) increased in value during 2018/19 to £2.7 million. Dividends received in the year totalled £0.1 million. Both the capital appreciation and the interest earned are included in the performance of 5.06 per cent achieved above. The capital gain is however not realised and so for comparison purposes, the actual rate of return is interest as a factor of market value of holding being 3.59 per cent.
12. The performance of 5.06 per cent for CCLA includes accruals and therefore creates a marginal difference between councils on the calculated return achieved.

### Land and Property

13. The council holds a portfolio of investment properties, which includes land, offices and shops that are let on a commercial basis. These assets had average net book value of £7.1 million during 2018/19 (£8.4 million as at 31 March 2018) and generated income of £0.4 million (£0.5 million in 2017/18). This is equivalent to a gross return of 5.06 per cent.
14. Due to movement in property values and the exclusion of whole life costs, these rates of return should not be taken as a direct comparison with the treasury rates.

### Liquidity and yield

15. The council uses short-term investments to meet daily cash-flow requirements and has also aims to invest a proportion of the portfolio over longer dated cash deposits where possible.
16. The amount maintained for liquidity was £3.5 million and was above the benchmark. This was due to the better rates of return on MMFs compared with other short-term deposits making it more attractive to hold funds short.

## Appendix E

South Oxfordshire District Council investments (excluding KSF) as at 31 March 2019

Counterparty	Deposit Type	Maturity Date	Principal	Rate
Close Brothers	Fixed	Apr-19	2,000,000	1.10%
Goldman Sachs International Bank	Fixed	Apr-19	2,000,000	1.10%
Goldman Sachs International Bank	Fixed	Apr-19	3,000,000	1.12%
Progressive Building Society	Fixed	Apr-19	3,500,000	0.95%
National Counties Building Society	Fixed	Apr-19	2,500,000	1.02%
Principality Building Society	Fixed	Apr-19	2,000,000	0.95%
Royal Bank of Scotland	Fixed	Apr-19	3,000,000	1.31%
Close Brothers	Fixed	Apr-19	2,000,000	1.05%
Monmouthshire Building Society	Fixed	Apr-19	1,000,000	1.00%
Surrey Heath BC	Fixed	Apr-19	3,000,000	0.90%
Newcastle Building Society	Fixed	Apr-19	2,000,000	1.02%
Newcastle Building Society	Fixed	May-19	2,000,000	1.02%
Newcastle Building Society	Fixed	May-19	2,000,000	1.02%
National Counties Building Society	Fixed	May-19	1,000,000	1.02%
Principality Building Society	Fixed	May-19	1,500,000	0.97%
National Counties Building Society	Fixed	May-19	1,500,000	1.02%
Nottingham Building Society	Fixed	May-19	2,000,000	0.97%
Nottingham Building Society	Fixed	Jun-19	1,000,000	0.86%
Principality Building Society	Fixed	Jun-19	3,000,000	0.86%
Goldman Sachs International Bank	Fixed	Jun-19	2,000,000	1.00%
Newcastle Building Society	Fixed	Jun-19	2,000,000	0.87%
Principality Building Society	Fixed	Jul-19	4,000,000	0.86%
Blaenau Gwent CBC	Fixed	Jul-19	3,000,000	0.95%
Principality Building Society	Fixed	Jul-19	2,000,000	0.86%
Monmouthshire Building Society	Fixed	Jul-19	2,000,000	0.90%
Progressive Building Society	Fixed	Jul-19	2,500,000	0.90%
Monmouthshire Building Society	Fixed	Jul-19	2,000,000	0.95%
Goldman Sachs International Bank	Fixed	Jul-19	2,000,000	1.20%
Newcastle Building Society	Fixed	Aug-19	2,000,000	1.03%
Newcastle Building Society	Fixed	Aug-19	2,000,000	1.03%
Monmouthshire Building Society	Fixed	Sep-19	3,000,000	1.05%
Goldman Sachs International Bank	Fixed	Sep-19	2,000,000	1.10%
Cambridge BS	Fixed	Oct-19	3,000,000	1.15%
Nottingham Building Society	Fixed	Oct-19	1,000,000	1.05%
Progressive Building Society	Fixed	Oct-19	1,000,000	1.08%
Progressive Building Society	Fixed	Nov-19	2,000,000	1.08%
West Bromwich Building Society	Fixed	Nov-19	2,000,000	1.15%
West Bromwich Building Society	Fixed	Nov-19	2,000,000	1.15%
Cambridge BS	Fixed	Nov-19	2,000,000	1.15%
Close Brothers	Fixed	Nov-19	3,000,000	1.10%
Nottingham Building Society	Fixed	Dec-19	3,000,000	1.15%
Goldman Sachs International Bank	Fixed	Dec-19	2,000,000	1.24%
Goldman Sachs International Bank	Fixed	Feb-20	2,000,000	1.05%
Nottingham Building Society	Fixed	Feb-20	2,000,000	1.20%
Close Brothers	Fixed	Mar-20	2,000,000	1.25%
Close Brothers	Fixed	Mar-20	2,000,000	1.25%
Kingston upon Hull City Council	Fixed	Aug-20	3,500,000	2.70%
Kingston upon Hull City Council	Fixed	Aug-20	1,500,000	2.70%
Kingston upon Hull City Council	Fixed	Jan-21	2,000,000	2.50%
Close Brothers	Fixed	Mar-21	3,000,000	1.50%
Close Brothers	Fixed	Mar-21	1,000,000	1.50%
Bury MBC	Fixed	Jul-21	5,000,000	1.50%
Royal Bank of Scotland	Fixed	Feb-23	2,000,000	2.46%

## Appendix E

### South Oxfordshire District Council investments (excluding KSF) as at 31 March 2019

Counterparty	Deposit Type	Maturity Date	Principal	Rate
Santander	Call		826,988	0.40%
Royal Bank of Scotland	Call		2,329	0.25%
Royal Bank of Scotland	Call		95,101	0.25%
Goldman Sachs	MMF		7,005,000	Variable
Blackrock	MMF		690,000	Variable
L&G Equities	Unit trust		12,322,880	Variable
CCLA - property fund	Property fund		5,000,000	3.59%
<b>GRAND TOTAL</b>			<b>143,442,298</b>	

### Vale of White Horse District Council investments as at 31 March 2019

Counterparty	Deposit Type	Maturity Date	Principal	Rate
Goldman Sachs International Bank	Fixed	Apr-19	2,000,000	1.25%
Places For People Homes Ltd	Fixed	Jun-19	2,000,000	1.70%
Goldman Sachs International Bank	Fixed	Jun-19	2,000,000	1.15%
National Counties Building Society	Fixed	Jul-19	2,000,000	1.00%
Goldman Sachs International Bank	Fixed	Sep-19	2,000,000	1.12%
Close Brothers Ltd	Fixed	Sep-19	2,000,000	1.15%
Cambridge Building Society	Fixed	Oct-19	2,000,000	1.15%
Goldman Sachs International Bank	Fixed	Oct-19	2,000,000	1.24%
Places For People Homes Ltd	Fixed	Oct-19	1,000,000	1.50%
Principality Building Society	Fixed	Nov-19	1,500,000	1.05%
West Bromwich Building Society	Fixed	Nov-19	1,500,000	1.15%
Close Brothers Ltd	Fixed	Nov-19	2,000,000	1.10%
Fife Council	Fixed	Nov-19	3,000,000	1.05%
Saffron Building Society	Fixed	Nov-19	3,000,000	1.12%
Newcastle Building Society	Fixed	Dec-19	1,500,000	1.15%
Principality Building Society	Fixed	Dec-19	2,000,000	1.10%
Nottingham Building Society	Fixed	Jan-20	2,000,000	1.15%
Darlington Building Society	Fixed	Jan-20	2,000,000	1.25%
Slough Borough Council	Fixed	Jan-20	4,000,000	1.10%
Close Brothers Ltd	Fixed	Jan-20	4,000,000	1.25%
Lloyds Bank	Fixed	Jan-20	10,000,000	1.10%
Newcastle Building Society	Fixed	Feb-20	1,500,000	1.25%
Places For People Homes Ltd	Fixed	Feb-20	2,000,000	1.50%
Close Brothers Ltd	Fixed	Mar-20	2,000,000	1.35%
Progressive Building Society	Fixed	Jun-20	3,000,000	1.22%
National Counties Building Society	Fixed	Jun-20	1,000,000	1.25%
Kingston upon Hull City Council	Fixed	Aug-20	2,000,000	2.70%
Kingston upon Hull City Council	Fixed	Jan-21	2,000,000	2.50%
Cambridgeshire County Council	Fixed	Feb-21	2,000,000	1.45%
Southern Housing Group	Fixed	Mar-21	5,000,000	1.60%
Goldman Sachs	MMF		2,030,000	Variable
LGIM	MMF		1,500,000	Variable
CCLA	Property fund		2,000,000	3.59%
<b>GRAND TOTAL</b>			<b>79,530,000</b>	

Note – these do not reconcile to table 1 figures seen in appendix c and d as these are original investment levels whereas the values in table 1 are the fair values of investments held.

## GLOSSARY OF TERMS

<b>Basis point (BP)</b>	1/100th of 1%, i.e. 0.01%
<b>Base rate</b>	Minimum lending rate of a bank or financial institution in the UK.
<b>Benchmark</b>	A measure against which the investment policy or performance of a fund manager can be compared.
<b>Bill of Exchange</b>	A non-interest-bearing written order used primarily in international trade that binds one party to pay a fixed sum of money to another party at a predetermined future date.
<b>Callable Deposit</b>	A deposit placed with a bank or building society at a set rate for a set amount of time. However, the borrower has the right to repay the funds on pre agreed dates, before maturity. This decision is based on how market rates have moved since the deal was agreed. If rates have fallen the likelihood of the deposit being repaid rises, as cheaper money can be found by the borrower.
<b>[Cash] Fund Management</b>	Fund management is the management of an investment portfolio of cash on behalf of a private client or an institution, the receipts and distribution of dividends and interest, and all other administrative work in connection with the portfolio.
<b>Certificate of Deposit (CD)</b>	Evidence of a deposit with a specified bank or building society repayable on a fixed date. They are negotiable instruments and have a secondary market; therefore the holder of a CD is able to sell it to a third party before the maturity of the CD.
<b>Commercial Paper</b>	Short-term obligations with maturities ranging from 2 to 270 days issued by banks, corporations and other borrowers. Such instruments are unsecured and usually discounted, although some may be interest bearing.
<b>Corporate Bond</b>	Strictly speaking, corporate bonds are those issued by companies. However, the term is used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.
<b>Counterparty</b>	Another (or the other) party to an agreement or other market contract (e.g. lender/borrower/writer of a swap/etc.)
<b>Credit Default Swap (CDS)</b>	A swap designed to transfer the credit exposure of fixed income products between parties. The buyer of a credit swap receives credit protection, whereas the seller of the swap guarantees the credit worthiness of the product. By doing this, the risk of default is transferred from the holder of the fixed income security to the seller of the swap.

<b>Capital Financing Requirement (CFR)</b>	The amount the council has to borrow to fund its capital commitments.
<b>CIPFA</b>	Chartered Institute of Public Finance and Accountancy.
<b>CLG</b>	[Department for] Communities and Local Government.
<b>Derivative</b>	A contract whose value is based on the performance of an underlying financial asset, index or other investment, e.g. an option is a derivative because its value changes in relation to the performance of an underlying stock.
<b>Debt Management Account Deposit Facility (DMADF)</b>	Deposit Account offered by the Debt Management Office, guaranteed by the UK government
<b>European Central Bank (ECB)</b>	European Central Bank – sets the central interest rates in the EMU area. The ECB determines the targets itself for its interest rate setting policy; this is to keep inflation within a band of 0 to 2%. It does not accept that monetary policy is to be used to manage fluctuations in unemployment and growth caused by the business cycle.
<b>European and Monetary Union (EMU)</b>	The Economic and Monetary Union (EMU) is an umbrella term for the group of policies aimed at converging the economies of all member states of the European Union.
<b>Equity</b>	A share in a company with limited liability. It generally enables the holder to share in the profitability of the company through dividend payments and capital appreciation. Equity values can decrease as well as increase.
<b>Forward Deal</b>	The act of agreeing today to deposit funds with an institution for an agreed time limit, on an agreed future date, at an agreed rate.
<b>Forward Deposits</b>	Same as forward dealing (above).
<b>Fiscal Policy</b>	The government policy on taxation and welfare payments.
<b>GDP</b>	Gross Domestic Product.
<b>[UK] Gilt</b>	Registered UK government securities giving the investor an absolute commitment from the government to honour the debt that those securities represent.
<b>LIBID</b>	London inter-bank bid rate
<b>LIBOR</b>	London inter-bank offered rate.

<b>Money Market Fund</b>	A well rated, highly diversified pooled investment vehicle whose assets mainly comprise of short-term instruments. It is very similar to a unit trust, however in a MMF.
<b>Monetary Policy Committee (MPC)</b>	Government body that sets the bank rate (commonly referred to as being base rate). Their primary target is to keep inflation within plus or minus 1% of a central target of 2% in two years time from the date of the monthly meeting of the committee. Their secondary target is to support the government in maintaining high and stable levels of growth and employment.
<b>Other Bond Funds</b>	Pooled funds investing in a wide range of bonds.
<b>PWLB</b>	Public Works Loan Board.
<b>QE</b>	Quantitative Easing.
<b>Retail Price Index</b>	Measurement of the monthly change in the average level of prices at the retail level weighted by the average expenditure pattern of the average person.
<b>Sovereign Issues (excl UK Gilts)</b>	Bonds issued or guaranteed by nation states, but excluding UK government bonds.
<b>Supranational Bonds</b>	Bonds issued by supranational bodies, e.g. European Investment Bank. The bonds – also known as Multilateral Development Bank bonds – are generally AAA rated and behave similarly to gilts, but pay a higher yield (“spread”) given their relative illiquidity when compared with gilts.
<b>Treasury Bill</b>	Treasury bills are short-term debt instruments issued by the UK or other governments. They provide a return to the investor by virtue of being issued at a discount to their final redemption value.

# Cabinet Report



Report of Head of Finance

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To: CABINET on 6 December 2019

To: COUNCIL on 18 December 2019

## Council tax base 2020/21

### Recommendations

1. That the report of the head of finance for the calculation of the council's tax base and the calculation of the tax base for each parish area for 2020/21 be approved
2. That, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Vale of White Horse District Council as its council tax base for the year 2020/21 is 52,686.4
3. That, in accordance with The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, the amount calculated by Vale of White Horse District Council as the council tax base for the year 2020/21 for each parish be the amount shown against the name of that parish in **Appendix 1** of the report of the head of finance to Cabinet on 6 December 2019

### Purpose of Report

1. The purpose of this report is to ask Cabinet to recommend the council tax base for 2020/21 to Council for approval.

### Corporate Objectives

2. The calculation of the tax base is a legal requirement and an essential part of the tax setting process which helps to achieve the council's corporate objectives.

## Background

3. Before the council tax can be set by the council, a calculation has to be made of the council tax base, which is an estimate of the taxable resources for the district as a whole and for each parish area.
4. The council tax base for the district has to be notified to Oxfordshire County Council and the Police and Crime Commissioner by 31 January 2020. Each parish and town council is also notified of the figure for its area.
5. The legislation requires that the council tax base is approved by full council or a non-executive body with delegated powers. No such delegation exists, so cabinet is therefore asked to recommend to council the schedule set out in **Appendix 1** as the council tax base for the district as a whole and for each parish area.

## Calculation of the tax base

6. The starting point for the calculation is the total number of dwellings and their council tax band.
7. The council then allows for the following information, for each band:
  - (a) dwellings which will be entirely exempt, so no tax is payable (e.g. those occupied entirely by students)
  - (b) dwellings which will attract a 25 per cent reduction (e.g. those with a single adult occupier)
  - (c) dwellings which will attract a 50 per cent reduction (e.g. those where all the adult residents qualify for a reduction)
  - (d) dwellings which will be treated as being in a lower band because they have been adapted for a severely disabled person. The regulations provide methodology to take account of the reduction available to those in band A dwellings
  - (e) dwellings which will be on the valuation list, but which attract discounts or disablement relief or are exempt, for only part of the year
8. Each band is then converted into "band D equivalents" by applying the factor laid down by legislation. For example, a band A dwelling is multiplied by 2/3 to arrive at the band D equivalent figure, whilst a band H dwelling is multiplied by two. All these are then added together to give a total of band D equivalents.
9. A final adjustment is required to allow for non-collection. The council is required to decide what its collection rate is likely to be and apply this to its council tax base. For the 2019/20 tax the council assumed 98 per cent would eventually be collected and it is proposed to use 98 per cent again in 2020/21.

## Taxbase for 2020/21

10. Based on the assumptions detailed above, the council tax base for 2020/21 is **52,686.4**

11. Similar calculations are required for each parish in order to calculate the proportion of the district's tax base which relates to its area. A schedule of the tax base for each parish is set out in **Appendix 1**.
12. To calculate the council tax amounts payable per property band for the council, its council tax requirement (i.e. the amount of council tax to be raised) is divided by the Band D equivalent (taxbase). This will be finalised during January and February, culminating in the council tax being set by council on 12 February 2020 (this date is subject to the council being notified of the major precepting authorities' council tax requirements).

### **Financial Implications**

13. These are set out in the body of the report.

### **Legal Implications**

14. These are set out in the body of the report.

### **Risks**

15. The council's methodology for calculating the taxbase involves basing the calculation on actual dwellings at a certain point in time, rather than forecasting on potential new dwellings that may be built in the future. Because of this the risk exposure is considered to be low.

### **Background Papers**

None

PARISH COUNCIL TAX BASES - 2020-21

PARISH/TOWN COUNCIL	NUMBER OF DWELLINGS	PARISH TAX BASE 2020-21	PARISH TAX BASE 2019-20
ABINGDON	14,915.0	12,311.8	12,270.5
APPLEFORD	146.0	163.9	160.2
APPLETON WITH EATON	400.0	450.8	450.4
ARDINGTON AND LOCKINGE	220.0	222.8	219.3
ASHBURY	258.0	270.8	271.0
BAULKING	40.0	50.9	49.4
BESSELSLEIGH	28.0	34.6	35.2
BLEWBURY	804.0	739.2	739.4
BOURTON	134.0	146.8	144.6
BUCKLAND	256.0	315.6	317.3
BUSCOT	87.0	88.6	86.9
CHARNEY BASSETT	125.0	152.1	153.1
CHILDREY	227.0	241.1	240.1
CHILTON	648.0	664.8	667.0
COLESHILL	74.0	68.2	71.0
COMPTON BEAUCHAMP	30.0	37.8	39.0
CUMNOR	2,745.0	2,940.9	2,944.9
DENCHWORTH	81.0	84.1	83.7
DRAYTON	1,167.0	1,092.8	1,000.5
EAST CHALLOW	401.0	345.5	339.2
EAST HANNEY	445.0	495.7	480.4
EAST HENDRED	586.0	603.2	581.0
EATON HASTINGS	35.0	33.6	34.3
FARINGDON	3,629.0	2,921.4	2,801.9
FERNHAM	96.0	106.9	108.3
FRILFORD	88.0	118.4	117.6
FYFIELD AND TUBNEY	197.0	234.1	235.6
GARFORD	69.0	82.3	82.4
GOOSEY	57.0	67.2	65.8
GREAT COXWELL	136.0	162.2	154.3
GROVE	3,178.0	2,701.2	2,636.2
HARWELL	2,012.0	1,826.8	1,646.5
HATFORD	36.0	46.2	46.8
HINTON WALDRIST	153.0	152.9	153.7
KENNINGTON	1,766.0	1,691.8	1,694.0
KINGSTON BAGPUIZE AND SOUTHMOOR	1,390.0	1,414.3	1,280.4
KINGSTON LISLE	111.0	117.3	116.4
LETCOMBE BASSETT	79.0	92.0	91.5
LETCOMBE REGIS	383.0	355.1	360.9
LITTLE COXWELL	70.0	77.3	80.6
LITTLEWORTH	95.0	114.0	116.5
LONGCOT	224.0	230.2	226.2
LONGWORTH	245.0	276.9	273.6
LYFORD	23.0	26.3	26.1
MARCHAM	920.0	919.1	882.0
MILTON	516.0	468.2	455.3
NORTH HINKSEY	2,259.0	1,909.2	1,892.5
PUSEY	28.0	35.9	34.6
RADLEY	1,004.0	884.4	880.3
ST HELEN WITHOUT	847.0	840.4	829.6
SHELLINGFORD	80.0	79.4	81.6
SHRIVENHAM	1,152.0	1,149.3	1,115.1
SOUTH HINKSEY	176.0	199.2	194.6
SPARSHOLT	140.0	155.7	151.5
STANFORD IN THE VALE	997.0	912.3	901.3
STEVENTON	930.0	878.4	855.5
SUNNINGWELL	382.0	454.4	455.0
SUTTON COURTENAY	1,232.0	1,160.2	1,123.8
UFFINGTON	364.0	369.0	369.3
UPTON	176.0	210.4	208.8
WANTAGE	5,655.0	4,748.2	4,685.9
WATCHFIELD	1,115.0	1,045.4	1,013.0
WEST CHALLOW	93.0	106.3	97.0
WEST HANNEY	256.0	296.4	286.1
WEST HENDRED	149.0	161.9	162.2
WOOLSTONE	62.0	77.6	78.4
WOOTTON	1,187.0	1,172.9	1,179.5
WYTHAM	72.0	81.8	79.6
<b>TOTAL</b>	<b>57,681</b>	<b>52,686.4</b>	<b>51,706.2</b>

# Joint Council report



Report of Chief Executive

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To: VALE COUNCIL

DATE: 18 December 2019

To: SOUTH COUNCIL

DATE: 19 December 2019

## Designating the councils' section 151 chief finance officer

### Recommendation

That Council

- (1) designates Simon Hewings, the interim Head of Finance, as the council's section 151 chief finance officer from 23 December 2019;
- (2) authorises the head of legal and democratic to make any consequential changes required to the council's constitution to reflect this change.

### Purpose of Report

1. Section 151 of the Local Government Act 1972 requires each council to designate one of its officers to have responsibility for the proper administration of its financial affairs.
2. This report recommends that Simon Hewings, recently appointed as the interim head of finance by the Joint Staff Committee at its meeting on 19 November, be designated as the "section 151 officer" for each council from 23 December 2019.

### Corporate Objectives

3. The section 151 officer has overall responsibility for the entire financial affairs of the councils, and therefore the satisfactory discharge of that responsibility contributes to all the corporate objectives of the two councils. However, its primary focus is on the 'effective management of resources' objective.

## **Background**

4. The “section 151 officer” (also sometimes referred to as the “chief finance officer” in regulations) is one of three statutory officers at the councils. (The other two being the “Head of Paid Service” and the “Monitoring Officer”). Every unitary, county and district council must designate these three statutory officers.
5. William Jacobs, the incumbent Head of Finance and section 151 officer, will retire from the councils on 30 May 2020. To ensure resilience and effective handover, the chief executive agreed that William Jacobs will step down from the head of finance and section 151 officer positions when an interim replacement has been appointed.
6. Following advertisement of the post Simon Hewings was appointed to the post of interim head of finance by the Joint Staff Committee at its meeting on 19 November 2019. Simon Hewings will commence his new role on 23 December 2019. No objection was raised from cabinet members.

## **Options**

7. The councils could choose to designate another officer as section 151 officer. It is a statutory requirement that the section 151 officer must be a suitably experienced professionally qualified accountant. Whilst there are other qualified accountants employed at the two councils the interim head of finance is the most experienced and the only one that has previously acted as a deputy section 151 officer. There would be greater operational risk from designating another officer into this role, although for resilience and succession planning, additional professionally qualified officers will be designated as ‘deputy section 151 officer(s)’ by the section 151 officer following their appointment.
8. Each council could designate a different section 151 officer. This option would be less efficient given the high degree of joint-working as two officers would need to be involved on financial issues that currently require only one. Such an arrangement could also lead to confusion and disruption if the two section 151 officers do not agree on a particular matter, reducing the overall resilience of the finance team. This option would also lead to significant additional costs being incurred by the councils, as it would require a complete reorganisation and restructure of the councils’ finance team.

## **Financial Implications**

9. There are no direct financial consequences associated with this recommendation as there will be no change in the affected officer’s remuneration but see paragraph 8 for the implications of other options.

## **Legal Implications**

10. The designation of a section 151 officer is a statutory duty for each council.

## **Risks**

11. The objective of section 151 of the Local Government Act 1972 is to reduce financial risk by requiring a designated officer to be responsible for the proper

administration of the council's financial affairs. This should reduce the risk of financial malpractice, poor financial planning, fraud, waste and loss.

12. The objective of requiring a professionally qualified and experienced individual to fulfil that role is to promote sound financial management and reduce the risk of financial failure.
13. The interim head of finance is an experienced professionally qualified accountant who has acted as deputy section 151 officer. His designation represents a low risk.

## **Conclusion**

14. Following the announcement of the retirement in May 2020 of William Jacobs, the current Head of Finance and section 151 officer, the councils have appointed Simon Hewings as interim Head of Finance. The councils are recommended to designate the interim head of finance as the section 151 officer for each council. The proposed designation will require some minor consequential changes to the councils' constitution. The councils are asked to authorise the head of legal and democratic to make these changes.

## **Background Papers**

None