

Executive Agenda



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Date: 24 June 2010
Website: www.whitehorsedc.gov.uk

A meeting of the **Executive**

will be held on Friday 2 July 2010 at 3pm
Guildhall, Abingdon

Members of the Executive:

Councillors

Tony de Vere (Chair)

Richard Webber (Vice-Chair)

Mary de Vere

Richard Gibson

Jenny Hannaby

Angela Lawrence

Jerry Patterson

A large print version of this agenda is available. In addition any background papers referred to may be inspected by prior arrangement.

Please note that this meeting will be held in a wheelchair accessible venue. If you would like to attend and have any special access requirements, please let the Democratic Services Officers know beforehand and they will do their very best to meet your requirements.

A handwritten signature in black ink, appearing to read 'M Reed', is written in a cursive style.

Margaret Reed
Head of Legal and Democratic Services

Members are reminded of the provisions contained in the code of conduct adopted on 30 September 2007 and standing order 34 regarding the declaration of personal and prejudicial interests.

Agenda

Open to the Public including the Press

Map and vision

(Page 4)

A map showing the location of the venue for this meeting is attached. A link to information about nearby car parking is http://www.whitehorsedc.gov.uk/transport/car_parking/default.asp

The council's vision is to build and safeguard a fair, open and compassionate community.

1. Apologies for absence

To receive apologies for absence.

2. Minutes

To adopt and sign as correct records the minutes of the Executive meetings held on 19 and 28 May 2010 (previously published).

3. Declarations of interest

To receive any declarations of personal or personal and prejudicial 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. Statements, petitions and questions relating to matters affecting the executive.

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

KEY DECISIONS

6. Corporate plan 2009/12 - annual review

(Pages 5 - 25)

To receive and consider report 19/10 of the Head of Corporate Strategy.

7. Local investment agreement

(Pages 26 - 43)

To consider report 20/10 of the Strategic Director.

8. Treasury management - review of activity in 2009/10

(Pages 44 - 49)

To receive and consider report 21/10 of the Head of Finance.

OTHER DECISIONS

9. Provisional capital programme out-turn 2009/10 and capital budget carry forward requests

(Pages 50 - 54)

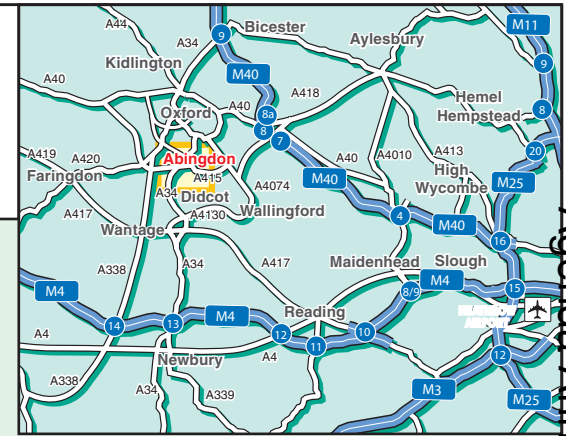
To receive and consider report 22/10 of the Head of Finance.

10. Award of public convenience cleaning contract

To receive and consider report 23/10 of the Head of Commercial Services. **REPORT TO FOLLOW**

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

None



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By rail – the nearest main line railway stations to Abingdon are either Didcot Parkway (seven miles) or Oxford (eight miles). Radley railway station is located on the main line between Oxford and Didcot and is three miles from Abingdon town centre. For details of train times visit www.nationalrail.co.uk or call 08457 484950

By bus – there are a number of bus routes serving Abingdon town centre. For details of services and timetables, visit Oxfordshire County Council’s website at www.oxfordshire.gov.uk. Contact details for bus operators can be found on the travel information pages on our website www.whitehorsedc.gov.uk

Parking – details of car parks charges can be found on our website

KEY: Car Parks	
	Abbey Close
	Cattle Market
	Charter Multi-storey
	Civic
	Rye Farm
	Hales Meadow
	Audlett Drive
	West St Helen Street

Executive report



2 July 2010

Report of **Head of Corporate Strategy**

Report no. 19/10

Author: **Robert Woodside**

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Wards affected: **All**

To: **Executive**

DATE: **2 July 2010**

Executive member responsible: **Councillor Tony de Vere**

Tel: **01235 540391**

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Corporate Plan 2009/12 – annual review

Recommendation(s)

- (a) Note the progress that has been made with the key actions targets and measures included in the Corporate Plan 2009/12
- (b) Agree the changes to the key actions targets and measures contained in the report

Purpose of Report

1. In February 2009 the Council agreed a new corporate plan, strategic objectives and corporate priorities. This report provides a comprehensive update on progress with the key actions, targets and measures included in the plan. In addition, it includes a small number of proposed changes to the key actions, targets and measures in the original plan.

Strategic Objectives

2. This report relates to the Council's Vision in that it supports all of its objectives and does not conflict with any Council Strategies. It supports all of the strands of the Vale Sustainable Community Strategy. The Corporate Plan 2009 -12 provides a framework for the allocation of resources over the lifetime of the plan to ensure that the Council achieves its strategic objectives and corporate priorities.

Background

3. In February 2009 the Council agreed a new corporate plan. It was developed following widespread consultation with Members, the senior management team and residents. The plan is a key document which clearly describes our vision strategic objectives and corporate priorities. For each of our corporate priorities, key targets actions and measures show how they will be achieved.
4. Summary performance against National Indicators (NIs) and Local Performance Targets (LPTs) is reported quarterly to the Executive and to the Scrutiny Committee. This report (appendix one) sets out progress against all of the actions, targets and measures in the plan.

Changes to the plan

5. We have carried out a 'light touch' review of the corporate plan as originally published, to ensure that it remains relevant and reflects any external or internal changes since it was published. Appendix two sets out a small number of proposed changes, along with the rationale for these. The Executive is recommended to agree these changes.

Financial Implications

6. There are no direct financial implications arising from this report.

Legal Implications

7. There are no direct legal implications arising from this report.

Risks

8. Where risks have been identified, specific to individual corporate priorities, they have been included in the operational service area risk registers.

Conclusion

9. We have made good progress in delivering the council's strategic objectives and corporate priorities in a difficult financial climate. The 2010/11 budget identified significant savings, the bulk of these will come from improving efficiency. However, where service reduction savings have been required, they have been made in non priority areas in line with the corporate plan.

The Executive is asked to note progress made and to agree proposed changes to the plan looking forward (appendix two).

Background Papers

Corporate Plan 2009/12

Appendix 1 – Corporate Plan key actions, targets and measures - progress 2009/10

Strategic Objective: Meeting people's need for housing

1. Enable affordable homes to be built in the district each year in line with the Vale's ambitious targets

Key target, action or measure	Progress
<p>Develop five rural affordable housing exception sites by the end of 2011</p> <p><i>LPT 341 – Number of affordable homes delivered on rural exception sites or in smaller villages. The target for 2009/10 was 20</i></p>	<p>We didn't complete any new homes in rural areas, but completed preparatory work for future schemes as follows:</p> <ul style="list-style-type: none"> - obtained planning permission for one site in East Hendred for three rented homes, work due to start on site early in 2010/11. - preparation to allow a planning application to be submitted on sites in Steventon and Blewbury to produce around 26 units – delivery expected in 2010/11 - discussion on the possibility of developing second rural exception schemes in Shrivenham and Kingston Bagpuize. - early discussions with three other rural parishes on potential affordable housing delivery, one of which may produce the district's first scheme able to serve a cluster of the smallest villages
<p>Facilitate the provision of affordable housing for people who live and work in the Vale through the current Local Plan and the Local Development Framework once it has been agreed</p>	<p>Work will continue on the local development framework until further guidance is provided by the new government. It is intended that a report will be made to the Executive later in 2010 which will detail the government's proposals for local planning documents</p>
<p>Ensure the development of new and other suitable types of affordable houses</p> <p><i>NI 155 – Number of affordable homes delivered. The target for 2009/10 was 100</i></p>	<p>We have delivered 219 affordable homes in 2009/10, as follows:</p> <ul style="list-style-type: none"> - 32 successful applicants have purchased homes on the open market through the government's MyChoice scheme - the biggest uptake since the scheme started and more than double the figure for 2008/09 - we funded the redevelopment of a redundant sheltered housing scheme in Faringdon to produce family homes for rent

Key target, action or measure	Progress
	<ul style="list-style-type: none"> - a housing association received a grant towards the purchase of an open market 4 bed house for rent. This property had ground floor disabled adapted accommodation to meet the needs of a family in very high priority need for re-housing - we have enabled new-build homes across the district (70 in Wantage, 61 in Faringdon, 43 in Abingdon and 12 in Botley). 2 of these are adapted to meet specific needs of disabled people
<p>Provide the right balance of rented, shared ownership and other types of intermediate housing. Use regular housing needs surveys to give an accurate picture of the district's housing requirements</p>	<p>Our Supplementary Planning Guidance (SPG) recommends a ratio of 75 per cent rented to 25 per cent intermediate housing. - It recommends that 1 and 2 bed rented homes should represent 48 per cent of all affordable housing delivery and three-bed houses should make up 20 per cent of the total. For intermediate housing, 1 and 2 bed homes should represent 19 per cent of the total in line with the SPG</p> <p>In 2009/10 we delivered:</p> <ul style="list-style-type: none"> - new build housing included 77 per cent rented units and 23 per cent Intermediate housing (shared ownership) - 55 per cent smaller units (mostly 2-bed) and 22 per cent 3-bed houses - 21.5 per cent of all homes were smaller homes - we commenced construction of 4-bed houses for rent and 3 and 4-bed shared ownership properties with completion due in 2010/11
<p><i>NI 154 – Net additional homes provided. The target for 2009/10 was 401</i></p>	<p>The target for this LAA measure was revised in light of the current financial and housing climate, from 530 to 401. We achieved 438 in 2009/10</p>

2. Help people in housing need to resolve their housing problems

Key target, action or measure	Progress
<p>Number of households placed in temporary accommodation because they are homeless</p> <p><i>NI 156 – Number of households living in temporary accommodation. The target for 2009/10 was 62</i></p>	<p>Reduction in the number of households in temporary accommodation, from 65 to 31 (reduced from 78 in 2007/08), against a target for 2009/10 of 62</p>
<p>Reduction in the number of homelessness acceptances</p>	<p>Reduction in the number of homelessness acceptances, from 49 to 39 (reduced from 84 in 2007/08)</p>
<p><i>LPT 335 - Average number of days that households are accommodated in nightly charge properties during the year. The target for 2009/10 was 50</i></p>	<p>The average number of days during the final quarter of 2009/10 was 27 days, significantly better than the target of 50 days; and for the year was 44 days</p>
<p>Implement the sub regional Choice Based Letting Scheme by 31 May 2009</p>	<p>Sub-Regional Choice Based Letting is now fully operational – this means there is one allocations system, and has widened applicants' choice of accommodation</p>
<p>Eliminate the use of out of district bed and breakfast (B&B) placements for young people by 31 December 2009</p>	<p>Only three young persons have been placed in B&B since 31 December 2009, all as a result of emergency placements</p>
<p>Provide high quality advice and support to help prevent households becoming homeless</p> <p><i>LPT 333 – Number of households prevented from becoming homeless. The target for 2009/10 was 280</i></p> <p><i>LPT 334 – Number of households prevented from becoming homeless through the issuing of a rent deposit bond or rent in advance. The target for 2009/10 was 150</i></p>	<p>326 households were prevented from becoming homeless during 2009/10, significantly better than the target of 280. 173 of these were through the issuing of a rent deposit bond or rent in advance, significantly better than the target of 150</p>
<p>Provide high quality temporary accommodation suitable for the needs of homeless people</p>	<p>We are negotiating the development of 8 2-bed new build flats for temporary accommodation at Harcourt Way in Abingdon, as part of the s.106 agreement for the Old Gaol development</p>

Key target, action or measure	Progress
Promote housing mobility by setting up a scheme that enables Vale residents to apply for housing throughout Oxfordshire	This has been achieved through the Sub-Regional Choice Based Letting allocations system – see above
Keep the number of households who are accommodated in nightly charge properties to a minimum	The number of households accommodated in nightly charge accommodation during 2009/10 was 22, down from 65 in 2008/09
NI 181 – Time taken to process housing/council tax benefit claims and change events. <i>The target for 2009/10 was 20.5 days</i>	We are awaiting DWP data – expected in August 2010

Strategic Objective: Supporting a vibrant local economy

1. Work in partnership to sustain vibrant market towns

Key target, action or measure	Progress
<i>LPT - Actions in the market towns that maintain or improve business confidence (measured by survey)</i>	The South East England Development Agency (SEEDA) has agreed in principal funding of £159,000 for actions that will help to maintain or improve business confidence in Faringdon, Grove and Wantage
<i>LPT 311 - Vacant retail units – below national average in market towns. The target for 2009/10 was 0 (see progress comment for explanation)</i>	The national average of vacant retail units is 20 per cent. Our target was to have a vacancy rate lower than this. The annual survey in September 2009 showed a vacancy rate of 10.7 per cent
Prepare a market towns strategy for the Vale and action plans for Abingdon, Faringdon and Wantage, in collaboration with stakeholders, by the end of March 2010	Drafts have been prepared and we now expect these to be agreed by the end of September 2010
Support the creation of an Abingdon Town Partnership and part fund a partnership officer to manage an action plan	Choose Abingdon Partnership established in 2009/10. Choose Abingdon Partnership Manager recruited and commenced work in September 2009

2. Support rural business and communities

Key target, action or measure	Progress
<i>LPT 312 - Southern Oxfordshire LEADER funding allocated. (Government and EU funding to help revitalise and support rural businesses and communities in southern Oxfordshire). The target for 2009/10 was £250,000</i>	£230,000 allocated in 2009/10, against a target of £250,000. Projects considered include farm diversification, tourism initiatives, rural community projects and renewable energy initiatives
<i>LPT 313 - Number of jobs created/safeguarded by Southern Oxfordshire LEADER funding . The target for 2009/10 was 0</i>	The target for jobs created/safeguarded was none for 2009/10, and none were created / safeguarded. They have been profiled to be achieved between 2010/11 - 2012/13

3. Promote 'Science Vale UK' as a world leading area for science and technology

Key target, action or measure	Progress
<i>LPT 314 - At least one new large science related enterprise employing more than 50 people locates in the Science Vale UK area. The target for 2009/10 was 0 (see progress comment for explanation)</i>	Target is for one in 2010/11. Inward investment promotion has started on this
<i>LPT 315 - Overall growth in employment of at least 250 new jobs in the next 4 years in the Science Vale UK area. The target for 2009/10 was 25</i>	Target of 25 for 2009/10 achieved following the relocation of Plasma Surgical to Milton Park
<i>LPT 316 - Maintain or improve business confidence in Science Vale UK area. The target for 2009/10 was to establish the baseline</i>	Baseline is 13% of South East's employment in research and development
Increase the profile of the area so that it is seen as a first choice location for high value added businesses and research and an attractive place to live	Website launched and a number of successful promotional events held, including very successful breakfast events
Project manage the partnership developing Science Vale UK as a global hotspot for enterprise	Part time project director appointed

Key target, action or measure	Progress
Promote additional investment in physical and social infrastructure for the benefit of residents and businesses	Oxfordshire County Council has received a Department for Transport grant of £125,000 for a study to look at access to Science Vale UK

Strategic Objective: Managing our business effectively

1. Provide value for money services that meet the needs of our residents and service users

Key target, action or measure	Progress
<i>Percentage of residents satisfied with the overall quality of council services</i>	Not measured in 2009/10 – next measured by the Place survey in Autumn 2010 (Performance in 2008/09 50 per cent)
<i>LPT 347 - Average sickness absence per employee per annum. The target for 2009/10 was 8.25 days</i>	Performance 6.02 days, significantly better than the target of 8.25 days and performance is in the top quartile
<i>LPT 319 – Average time to pay an invoice. The target for 2009/10 was 10 days</i>	We achieved 12.88 days, slightly more than the target of 10 days, but an improvement on 16 days in 2008/09
Maintain the Vale's reputation for high quality services and low council tax	This was acknowledged in the Use of Resources assessment published by the Audit Commission in November 2009. This stated that overall the Council is delivering high satisfaction services on a low council tax
Ensure delivery of the highest quality services and demonstrate value for money in all of our key services by using up to date cost and performance information	We scored three out of four in our use of resources assessment carried out by the Audit Commission. In the managing finances theme, the assessment stated that there are good arrangements in place to link cost and performance and that high spend is clearly linked to high priority areas
Agree and deliver a business process improvement programme to achieve planned efficiencies	This is being delivered through the 'Fit for the Future' programme. The first stage function reviews resulted in savings of £600,000 across the two councils which were built into the budget for

Key target, action or measure	Progress
	2010/11. The second stage involves process reviews which commenced in March 2010 for a number of service areas. These are part of a two year rolling programme which will cover all service areas. It is estimated that £700,000 of further savings will be found during this two year review
Identify further joint working opportunities, principally with South Oxfordshire District Council and deliver cashable efficiency savings	Appointments made to management team and heads of service will achieve annual savings of £289,000. Appointments made to joint fourth tier management positions in February 2010 will achieve an estimated annual saving of £260,000
Undertake reviews and bring forward proposals, in time for implementation in the 2010/11 budget, for a significant reduction in the costs of <ul style="list-style-type: none"> • Tilsley Park • Abingdon Guildhall • Wantage Civic Hall • Faringdon Corn Exchange 	These reviews commenced in 2009. A progress report was made to the executive detailing the options and potential savings on 4 December 2009. These proposals, if implemented, would meet the savings of £125,000, which were built into the 2010/11 budget. Since then, the contract extension for the White Horse Leisure and Tennis Centre will secure £60,000 savings in 2010/11, and the remaining £65,000 savings are expected to come from the Vale halls. The council transferred the freehold of Faringdon Corn Exchange to Faringdon Town Council on 1 April 2010
<i>NI4 – percentage of people who believe they can influence decisions in their locality</i>	Not measured in 2009/10 – next measured by the Place survey in Autumn 2010 (Performance in 2008/09 27 per cent)
<i>NI 5 – Overall satisfaction with the local area</i>	Not measured in 2009/10 – next measured by the Place survey in Autumn 2010 (Performance in 2008/09 86.2 per cent)
<i>NI 179 – Total net value of ongoing cash-releasing value for money gains. The target for 2009/10 was £1,189,714</i>	The result for 2009/10 was £1,022,548

2. Optimise access to our services

Key target, action or measure	Progress
<i>Percentage of payments made on line or electronically. A target for 2009/10 was not set</i>	18% of all payments were made on line or electronically in 2009/10. The detailed breakdown is: <ul style="list-style-type: none"> • Electronic payments taken by the local service point, 11% • Automated telephony payments, 6% • Web payments, 1%
Agree a new/updated Customer Contact Strategy, which promotes moving customers to the web wherever possible, in time for implementation in the 2010/11 budget	Not achieved according to original timescale. We have commenced a Fit for the Future review of the Abingdon Local services Point, and a customer service strategic review will be carried out during 2010/11
Deliver the Equality and Diversity Scheme Action Plan, including equality impact assessments	The action plan is being delivered and progress against service plan deliverables is monitored quarterly. A six month update was published on the website in November 2009, and progress will be reported to Scrutiny Committee in September
NI 140 – Fair treatment by local services	Measured by the Place Survey - not measured in 2009/10. Performance in 2008/09 77.5 per cent. This indicator has been deleted from the national indicator set for 2010/11

3. Improve communication about the council's activities and achievements

Key target, action or measure	Progress
<i>Times best council staff survey</i>	This annual survey of the best places to work in the public sector is sponsored by the Sunday Times. The survey was carried out during November 2009 and an action plan has been agreed with a view to improving levels of staff satisfaction during 2010/11. We will resurvey staff in the next survey which will take place towards the end of 2010

Key target, action or measure	Progress
Use Vale Voice, our residents panel, to measure progress with our strategic objectives and priorities	Vale Voice has not been surveyed for a number of months following problems with the contractor. We are currently appointing a market research company to refresh and manage both Vale Voice and South Oxfordshire's panels - once in place the new panel will be used to measure progress
Improve communication with our residents and customers so that the council can demonstrate that it provides high quality value for money services	We have re-launched Unvaled and increased the content to cover more subjects, including messages about value for money
Communicate effectively with staff to ensure that they are engaged with and motivated by the council's activities	The staff satisfaction survey in 2009 raised a number of issues which are now being addressed through an action plan

Strategic Objective: Rising to the challenge of climate change

1. Minimise our impact on the causes of climate change

Key target, action or measure	Progress
<p>Reduce the carbon footprint arising directly or indirectly from the council's operations</p> <p><i>NI 185 – CO₂ reduction from local authority operations. The target is a reduction of 20% by 2012</i></p>	The Council's emissions are forecast to fall by between 10 per cent and 11 per cent in 2009/10 (exact figures not known until July 2010). Much effort has focused on electricity consumption in Abbey House which is forecast to fall by 8.5 per cent in 2009/10
<p>Implement the Carbon Management Plan to achieve:</p> <ul style="list-style-type: none"> • a reduction in carbon emissions of 20 per cent by March 2012 (<i>baseline 2007</i>) • a 10 per cent reduction in business mileage (council staff) by March 2010 	<p>Reduction in emissions - see above</p> <p>In 2008/9 total business mileage amounted to 244,621 miles. In 2009/10 this reduced to 187,201 miles, a reduction of 23.5%</p>

Key target, action or measure	Progress
Investigate the purchase of renewable energy for Vale buildings in time for implementation in the 2010/11 budget	A contract for to supply electricity to Abbey House using a green tariff commenced on 1 April 2010
Investigate the use of grey water schemes for Vale parks and gardens in time for implementation in the 2010/11 budget	This was investigated as part of the installation of the water feature at Manor Road, Wantage. However it was not economically viable at that time (although the installation does allow for a system to be installed at a later date)
<i>NI 186 – Per capita reduction in CO₂ emissions in the local area. A target for 2009/10 was not set as this indicator is outside of the control of the Council</i>	The latest data available is for 2007. The per capita emissions were 9.2 tonnes. This was a 2.7% reduction on the 2005 figure

2. Respond to the effects of climate change, particularly flooding

Key target, action or measure	Progress
<i>100 per cent take up of grants for flood group schemes</i>	Grants have been awarded to 19 projects submitted by community flood groups - a 100 per cent take up of the available grant fund of £110,000
Produce a Climate Change Adaptation Plan by 31 December 2009 using the outcomes of the 'Profile of Climate Impacts' assessment <i>NI 188 – Adapting to Climate Change. The target for 2009/10 was level 2</i>	Following identification of climate risks in 2008 the council is using its corporate and operational risk registers to manage climate risks. In addition service areas have identified actions for 2010/11 to adapt to climate change. The NI188 requirement for 2010 is to produce an adaptation plan following the risk assessment work done in 2009. In 2009/10 we achieved level 2 against NI 188, in line with the countywide LAA target
Facilitate the creation of a Vale Flood Alliance of Local Community Flood Groups (as a self governing body)	The proposal for a Vale Flood Alliance received support at the Community flood group workshop held on 29 October 2009. The council will act as co-ordinator initially until such time when group can become self governing
Deliver an agreed number of projects on 'ordinary water courses' (streams, brooks, ditches) which will reduce the impact of flooding	We have delivered six projects at East Hanney, Appleton, Steventon, Wantage, South Hinksey and Ladygrove Meadow, Abingdon
<i>NI 189 – Flood risk management. The target for 2009/10 was 100%</i>	We have achieved the actions necessary to meet this indicator in

	2009/10 giving a result of 100%
NI 37 – Awareness of civil participation arrangements (inc. flooding) in the local area	This indicator has been deleted by the government

3. Minimise the waste we produce and maximise recycling

Key target, action or measure	Progress
<p>Increase the percentage of household waste sent for recycling and composting</p> <p><i>NI 192 - Percentage of household waste sent for reuse, recycling and composting . The target for 2009/10 was 36%</i></p>	<p>We achieved a recycling rate of 36 per cent which was an increase on the 2008/09 rate of 35.6 per cent. The rate is expected to rise above 60 per cent once the new joint waste contract commences in October 2010</p>
<p>Reduce the amount of waste produced per household</p> <p><i>NI 191 - Residual household waste per household. The target for 2009/10 was 572 kg</i></p>	<p>Our result was 523 kg per household which was better than the target of 572kg. This was a reduction against 2008/09 which was 536kg. A further significant reduction is expected during 2010/09 when the new joint waste contract commences</p>

Strategic Objective: Helping to maintain a safe Vale

1. Help to maintain, or further reduce, low levels of crime and anti-social behaviour

Key target, action or measure	Progress
<p><i>Number of alcohol test purchasing exercises</i></p>	<p>Test purchasing exercises are intelligence led operations. The Thames Valley Police (TVP) licensing team is the lead agency working in partnership with the Vale licensing team and community safety. There were four operations in the Vale during 2009/10 and 20 premises were tested. Seven premises failed and £80 fixed penalty fines were issued at point of sale. The operations will continue on this basis during 2010/11</p>

Key target, action or measure	Progress
	<p>“Bottle Watch” in Wantage bottles are marked at point of sale. If alcohol is confiscated from young people then the source is known</p> <p>Developments for 2010/11 will include a focus on proxy sales (adults purchasing alcohol for under 18 year olds)</p>
<p>Develop and support a range of initiatives to reduce irresponsible drinking and behaviour</p>	<p>SMART is a mobile open access drop in service which offers advice, assessment, harm minimisation, health promotion and interventions. The service is available weekly in Wantage and Faringdon. The Abingdon resource centre continues to operate from the hospital</p> <p>Community Safety Partnership funding for the Street Pastors initiative in Wantage and Grove has been agreed. There are plans to extend the scheme to Abingdon in 2011</p> <p>See also below</p>
<p>Continue to develop and support the Vale ‘Nightsafe ‘scheme, working with licensees to reduce town centre violence</p>	<p>Drugs dogs operations have taken place in town centres, which support high visibility policing at key times. Alcohol data is combined into a monthly report identifying premises of concern (Thames Valley Police, Accident and Emergency, Ambulance data). All premises signed up to the scheme have been re-visited and reminded of their responsibilities</p>
<p>Develop the young peoples targeted alcohol project to reduce alcohol abuse</p>	<p>We led on a successful event at King Alfreds School in October 2009 was attended by 50 families (parents and pupils). It was supported by the ambulance service, street pastors, TVP neighbourhood team and Oxfordshire County Council trading standards officers. Further workshops are planned for Matthew Arnold school in September 2010 and King Alfred’s October 2010</p>

Key target, action or measure	Progress
NI 20 – Assault with less serious injury (including domestic violence)	<p>Assault with less serious injury (awlsi) – this is reported in two parts non-domestic abuse and domestic abuse offences:</p> <p>AWLSI Non-domestic abuse which largely includes town centre alcohol related violence records a 23 per cent reduction (83 fewer offences). AWLSI Domestic abuse records a 28 per cent decrease (42 fewer offences)</p>
<i>NI 15 – Serious violent crime rate</i>	We do not actively monitor or seek to improve performance against this measure – and it is recommended for deletion from the corporate plan
<i>NI 16 – Serious Acquisitive crime rate (Burglary, robbery, theft of and from vehicle). The target for 2009/10 was 5.13 per 1,000 population</i>	Our target is to maintain the reduced number of serious acquisitive crimes per 1,000 population at the 2007/08 baseline of 5.13. Within this category there was a 16.2 per cent reduction (108 actual offences). This includes a significant reduction in vehicle crime of 20 per cent (89 actual offences). In addition, there was a decrease in burglary of 8 per cent (17 actual offences)
<i>NI 32 – Repeat incidents of domestic violence. The target for 2009/10 was 32%</i>	The provisional result (to the 10 march 2010) was 19%. The final result is not yet available
<i>NI 30 – re-offending rate of prolific and priority offenders</i>	Performance not yet available

2. Reduce the fear of crime and anti social behaviour

Key target, action or measure	Progress
Reduce the fear of crime by making sure that local people are aware that the Vale is a safe place to live	<p>Four community safety newsletters were issued this year. Community Safety Forums were held in July 2009 and December 2009</p> <p>At the end of 2009/10 there was a 16.3 per cent reduction in all</p>

Key target, action or measure	Progress
	<p>crime this equates to a massive 988 fewer offences in the Vale during the year. The reduction included some specific crime categories that are targets within the Community Safety Partnership (CSP) Plan</p> <p>The community safety partnership aids this reduction by funding the Anchor small repairs scheme. The scheme supports vulnerable tenants by offering security improvements such as improved locks and outside lights</p> <p>The partnership continues to support the nightsafe scheme. This includes a regular programme of intelligence led test purchasing and drugs dogs operations that have reduced underage sale of alcohol to young people</p> <p>The Designated Public Place Order (DPPO) introduced by the council (alcohol order) in Abingdon continues to be a useful tool for the local neighbourhood officers. The order enables police officers to confiscate alcohol from adults if they are behaving in an anti social manner</p> <p>The partnership has used the Probation unpaid work scheme which offers free labour to clean off graffiti and clear up rubbish in the Charter Car Park, Ypres Way, St Johns Ambulance garages in South Abingdon during the year</p>
<p>Improve the partnership approach to crime reduction by further developing neighbourhood action groups (NAGs)</p>	<p>There are seven active NAGs in the Vale. The Community Safety Manger attends a quarterly NAG Chair meeting. Two NAG chairs have been co-opted to the community safety partnership management group to improve communications</p>
<p><i>NI 21 – Satisfaction with dealing with concerns about antisocial behaviour and crime by the local council and police</i></p>	<p>Measured by the Place Survey - not measured in 2009/10. Performance in 2008/09 27 per cent</p>

Key target, action or measure	Progress
<i>NI 17 – Perceptions of antisocial behaviour</i>	Measured by the Place Survey - not measured in 2009/10. Performance in 2008/09 14 per cent

Strategic Objective: Keeping the Vale a clean place to live

1. Deal effectively with litter and detritus

Key target, action or measure	Progress
Satisfaction with street cleanliness (former BVPI 89). Measured by Vale Voice Survey)	This was not measured during 2009/10
<i>NI 195 - Improved street and environmental cleanliness (graffiti, litter, detritus and fly posting). The target for 2009/10 was Litter 4%, Detritus 10%, Flyposting 1% and Graffiti 1%</i>	The indicator is calculated using three tranches of inspections which were carried out during the 2009/10. Our performance for litter was one per cent, against a target of four per cent. We also achieved our targets of one per cent on fly posting and graffiti (our performance was 0 for each); however we did not achieve our target of 10 per cent for detritus (actual performance was 13 per cent). The main reason for not achieving the detritus target was the severe weather encountered this winter. The contractor's street cleansing staff were diverted to snow clearing, which had an adverse impact on performance. The first tranche of 2010/11 is almost complete. Performance has improved significantly to approximately 2%, partly as a result of improved contract monitoring.
Improve co-ordination between relevant contractors and the county highways department to improve the quality of litter picking of principal roads and open spaces	The Highways Agency agreed to cut back trees / vegetation and clear litter on some slip roads on the A34. The County Council have re-tendered a verge cutting contract and this requires the contractor to work closely with district councils. The contractor now attends the OWP environmental quality and cleanliness group

2. Tackle 'envirocrime', such as fly tipping, dog fouling and graffiti

Key target, action or measure	Progress
'Grot Spots' will be investigated, assessed and an action plan produced within 4 weeks of it being reported	We have investigated, assessed, produced action plans within 4 weeks and dealt with 15 grot spots. All areas have seen an improvement in the cleanliness.
Designate four 'dog fouling action areas' for 2009/10	We designated Dog-fouling action areas in Sutton Courtenay, Longworth /Southmoor, Harwell and Grove. Environment Wardens patrolled these areas and they met and discussed dog fouling with over 100 dog walkers and gave out Information on the responsibilities of a dog owner. We also issued 2 fixed penalty notices for dog fouling offences.
Improve the local environment by reducing fly tipping	There was a decrease in the number of fly tipping incidents and an increase in enforcement. The number of fly tips (all categories) reduced from 583 in 2008/09 to 530 in 2009/10. Our NI196 score for fly tipping for 2009/10 was 'very effective'.
Take robust enforcement action to reduce the overall number of 'envirocrimes'	We served 69 Fixed Penalty Notices Issued in 2009/10 which raised £5,705 in income.
Designate 'dog fouling action areas' where a co-ordinated programme of publicity, community engagement and enforcement will be used to reduce the problem	No new action areas have been designated.
Develop a more robust response to graffiti in the Vale	Our community safety team, working in partnership with the Probation Service, have cleaned off a significant amount of graffiti from a number of sites. These include the garages at the St Johns Ambulance centre and the recreation ground in south Abingdon. An advisory guide will be produced during 2010 for residents who are victims of graffiti on their properties.
<i>NI 195 - Improved street and environmental cleanliness (graffiti, litter, detritus and fly posting)</i>	<i>See above</i>
<i>NI 196 - Improved street and environmental cleanliness – fly tipping. The target for 2009/10 was 'very effective'</i>	We achieved 'very effective (the highest category) against NI 196

Appendix 2 – Proposed changes to key actions, targets and measures for 2010/11

The following table sets out proposed changes to actions, targets or measures contained in the Corporate Plan as published in February 2009; column two indicates the change proposed and column three provides the rationale for the change proposed.

Action, measure or target	Change proposed	Rationale
Agree a new/updated Customer Contact Strategy, which promotes moving customers to the web wherever possible, in time for implementation in the 2010/11 budget	Amend date for completion	Because of the very pressing financial difficulties our focus in 2009/10 was on a function review, in which we looked at what services could be ceased or reduced in scale. One outcome of this process was the closure of the Wantage local services point. Only now can we turn our attention to the bigger picture of how we wish to provide customer services from now on. This work is being led by the Fit for the Future team
NI 140 – Fair treatment by local services	Delete measure	This measure has been deleted from the national indicator set for 2010/11 and we do not yet know whether it will be measured by the Place survey in future years
Designate 'dog fouling action areas' where a co-ordinated programme of publicity, community engagement and enforcement will be used to reduce the problem	Delete action	The 'Fit for the Future' function review carried out in late 2009 led to the warden service being reduced by 0.5 FTE. This was done on the understanding that this would reduce the promotional work that the wardens will do for example, discouraging fly tipping and dog fouling. Instead, the warden resource will concentrate upon enforcement action against perpetrators of dog fouling and fly tipping
LPT – The number of households who are placed in temporary accommodation because they are homeless	Delete	This is a duplicate – it is also measured by NI 156

Action, measure or target	Change proposed	Rationale
NI 15 – Serious violent crime rate	Delete	The indicator is not directly influenced by district council actions.
NI 17 – Perceptions of antisocial behaviour	Delete	Measure deleted as an NI

Executive report



2 July 2010

Report of Strategic Director

Report no. 20/10

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Local Investment Agreement

Recommendations

That the Executive:

- (a) Agrees that the Council enters into the proposed Oxfordshire Local Investment Agreement (LIA) (Draft at Appendix 1 to the Report).
- (b) Delegates responsibility for finalising the Local Investment Agreement (LIA) wording to the Strategic Director in consultation with the Leader of the Council.

Purpose of Report

1. This report summarises the outcomes of partnership work with the Homes & Communities Agency (HCA) on the Oxfordshire Local Investment Plan (LIP) and it recommends entering into a Local Investment Agreement (LIA) based on it. This report should be considered by Executive in July in order that the Leader can sign the LIA document on behalf of the council.

Background

2. The Government Homes & Communities Agency (HCA) is responsible for significant investment into the Vale of White Horse for affordable housing. The average value of completed homes funded by it over the past three years totals £48m. The amount varies year on year according to the cost and quality of bids submitted Registered Social Landlords, and, of course, the availability of land. Schemes are given a funding commitment and must progress to start on site to an agreed timescale or the funding is withdrawn and switched to other schemes, which may be anywhere across the South East.

3. Under this system local authorities are consulted periodically by the HCA to check whether the bids it has received meet priority needs. Other than this we have little formal influence over what is funded, although in practice we liaise closely with the HCA to seek to maximise funding into the district. Oxfordshire authorities have to work hard to achieve their full funding potential compared with other areas of the South East due to the high cost of and lack of availability of land.

The Single Conversation and Local Investment Plan

4. The HCA is currently piloting a new approach to its method of distributing funding and Oxfordshire has been chosen as one of three pilot areas within the South East. This involves what has been termed the 'Single Conversation'. The intent of the Single Conversation is that the HCA will work with a single Oxfordshire partnership to plan their investment into the county. The benefits of this are, firstly, that Oxfordshire will receive a block of funding more akin to its housing needs assessment, secondly, that the Oxfordshire SPIP partnership will be able to determine where the funding should be directed, and, thirdly, if schemes are delayed Oxfordshire will retain the funding and direct it towards reserve schemes which are worked up and ready to go.
5. The Single Conversation goes considerably further than just the provision of affordable housing. It ties together all housing, infrastructure, transport, regeneration and economic development priorities across Oxfordshire in a document termed a Local Investment Plan (LIP). The objective of this plan is to ensure there is effective alignment of investment decisions across Oxfordshire, whether funded directly by government departments or by local authorities.
6. The LIP draws its priorities from each authority's Local Plan or emerging Local Development Framework and it will influence the Highway Authorities' Local Transport Plan (LTP), use of developer funding contributions and affordable housing obligations in planning agreements. As the Single Conversation and LIP process is developed, the HCA's objective is that a range of national government investment decisions (e.g. transport and health) can be influenced by the Single Conversation and the LIP.
7. In early 2009, the Oxfordshire Partnership agreed that its sub-group, the Spatial Planning & Infrastructure Partnership (SPIP) could act collectively for the local authorities. SPIP is the relevant thematic partnership under the Oxfordshire Partnership and its members comprise the leaders of each district council, the relevant cabinet member from Oxfordshire County Council, and other bodies including the Regional Development Agency and the HCA. Chairmanship of SPIP is rotated between the local authorities and Cherwell is currently the lead council.
8. A LIP was agreed by SPIP in March 2010. It has now been submitted to HCA for its approval. The LIP is a detailed document setting out information about priority development and infrastructure schemes across the county. A copy has been deposited in the Members' Room for reference.

Local Investment Agreement

9. A Local Investment Agreement (LIA) has now been prepared to commit the parties (HCA and the local authorities) to implementing the LIP. The draft agreement is at Appendix 1. The Agreement is designed to cross-reference the content of the LIP and to recognise the priorities it establishes.
10. The LIA is in the form of a 'memorandum of understanding'. It does not, therefore, bind the parties in formal legal terms. Nevertheless, it is a statement of intent and a commitment to work in partnership to deliver the objectives of the Single Conversation. The constituent local authorities of the Oxfordshire Partnership have taken the view that, by working together and committing to the LIA, all concerned will be best placed to secure the best outcomes in respect of future Government funding allocations. This could be particularly important given the future economic climate and likely future public spending restraints.

Impact of Government policy changes

11. Clearly, the future of Government agencies and their funding mechanisms is uncertain under a new Government. It is possible that the HCA and the Single Conversation process it has established will not continue in the future.
12. The detailed programmes within the LIP were produced prior to the change of Government and it is clear that the housing numbers and the mechanisms for investment in transport and infrastructure will now change. We are currently awaiting guidance from Government and a bill on the new 'localism' agenda which will deliver bottom-up planning, with undoubtedly, changes in the numbers and locations of new housing schemes. Nevertheless, the principles of the LIP are sound and it will remain a useful basis for prioritisation of housing, regeneration and infrastructure investment projects in the district and across Oxfordshire.

Financial Implications

13. There are no direct financial implications of the recommended decision. The LIA is intended to be influential in attracting Government funding to support the council's investment priorities. In that respect, it has potential financial benefits.

Legal Implications

14. The LIA is a memorandum of understanding that conveys serious intent but is not binding.

Risks

15. There is a risk to the council's reputation and ability to influence future Government funding decisions if it does not participate in the Single Conversation process.

Conclusion

16. The Local Investment Agreement is a non-binding statement of intent that commits the council to working in partnership with all Oxfordshire authorities, the HCA and other relevant partners to take co-ordinated decisions on housing and infrastructure investment across the county. There are potential benefits for the district in this approach as explained in paragraph four above and cabinet is

recommended to agree that the leader of the council signs the LIA on behalf of the council.

Attachment

Appendix 1: Draft Local Investment Agreement

1 PARTIES

1.1 HOMES AND COMMUNITIES AGENCY having its principal place of business at 110 Buckingham Palace Road, London SW1W 9SA (the “Agency”).

1.2 [OXFORDSHIRE SPATIAL PLANNING AND INFRASTRUCTURE PARTNERSHIP _ -SPIP - AND ITS CONSTITUENT COUNCILS] representing Cherwell District Council, Oxford City Council, South Oxfordshire District Council, Vale of White Horse District Council, West Oxfordshire District Council and Oxfordshire County Council and their partners (the “SPIP”).

1.3 For the purpose of this agreement OXFORDSHIRE will be known as the “Area”

2 OBJECTS

2.1 The parties have identified that the Area is in need of investment to support growth and regeneration objectives:

2.2 The parties have previously agreed a Local Investment Plan (LIP) for the Area. This Agreement should be read in conjunction with the LIP. A copy of the LIP is attached. The Agreement sets out the respective contributions of the parties and how they will work together to achieve the vision below and objectives set out in para 2.3 for the benefit of the Area.

2.2.1 Create a World Class economy for Oxfordshire building particularly on the high tech sector;

2.2.2 Have healthy and thriving communities to sustain what is good about the City, Towns and Villages while also responding to the needs of the 21st Century including the impact of demographic and lifestyle changes;

2.2.3 Look after the environment and respond to the threat of climate change and the potential for more extreme weather conditions, particularly the threat of flooding;

2.2.4 Break the cycle of deprivation by addressing the regeneration needs of disadvantaged communities; reducing the gap between the best and worst off, and helping people maximise their talents and raise their aspirations;

Ref : Page 11 of the LIP

2.3 The Agency and the SPIP will work towards achieving the following objectives:

2.3.1 Deliver new housing, including affordable homes

2.3.2 Support economic growth

2.3.4 Achieve regeneration and tackle deprivation

2.3.5 Contribute to meeting strategic infrastructure needs

Ref ; Page 11 of the LIP

3 AREA

3.1 This Agreement relates to Oxfordshire (the “Area”). The Area is shown more particularly [edged red] on the plan attached to this Agreement.

4 STATUS

4.1 This Agreement is treated as a “Memorandum of Understanding and a protocol for joint working”. It is not legally binding upon the parties except for the provisions of paragraph 12.

4.2 Nothing contained in or carried out pursuant to this Agreement and no consents given by the Agency or the SPIP will prejudice the Agency's or the SPIP and its constituent local authorities (as appropriate) rights, powers or duties and/or obligations in the exercise of its functions or under any statutes, byelaws, instruments, orders or regulations.

4.3 This Agreement is without prejudice to the SPIP and its constituent local authorities and/or the Agency's functions as a local planning authority, and both parties may continue to exercise such functions as if they were not a party to this Agreement.

4.4 This Agreement is subject to the constitutional right of any future Parliament and/or the Agency's sponsor department to determine the amount of money to be made available to the Agency in any year and the purpose for which such money can be used.

4.5 This Agreement is also subject to the terms of the Framework Document between the Agency and its sponsor department, as the same may be amended or replaced from time to time.

4.6 Notwithstanding any other statement contained in this Local Investment Agreement the parties acknowledge that:-

- (a) the Agency is not able to provide any commitment, moral or otherwise, that funding will be available beyond 31 March 2011
- (b) that any commitment from the Agency up to March 2011 is subject to the Agency having available budget and the necessary approvals in place to make funding available; and
- (c) to the extent that funding may be provided for the purposes set out in this LIA separate funding agreements will need to be entered into between the relevant parties

5 GOVERNANCE AND RISK

5.1 The parties agree that the SPIP will act as the appropriate governance body and mechanism for the purposes of this agreement and implementation of the LIP. The Agency and the constituent councils will each appoint senior representatives to the SPIP Board. The Board will meet quarterly and will undertake regular review and update of the LIP and this agreement. The Board will be supported by a SPIP Executive Group which will meet monthly. This will be made up of officers from the 6 member authorities and the Agency and other partners. This group will be responsible for all the operational management and monitoring arrangements for the

LIP and LIA. Any party may change its representative(s) following (where possible) consultation with the other party. The SPIP governance arrangements will allow for membership by GOSE, SEEDA, Environment Agency, Highways Agency, Natural England, Oxfordshire Economic Partnership, Oxfordshire Environment & Waste Partnership, Oxfordshire PCT, SEEPB, Thames Valley Police. Additional representation can be agreed by the principal parties as appropriate.

5.2 The items to be discussed regularly by the SPIP Executive Group are:

5.2.1 Progress in achieving the agreed outputs and delivering the LIP (including addressing risks in respect of infrastructure constraints)

5.2.2 Priorities for delivery

5.2.3 Allocation of resources

5.2.4 Input from other public agencies on their role in assisting with implementation of the LIP

5.3 Decisions of the SPIP and its Executive Group will be made by consensus. The local authority members of the SPIP will each nominate one of their representatives to be Chairperson on a rolling annual basis, (alphabetical order with agreed handover date). The Chair of the Executive Group will be held by the same Council as chairs the SPIP Board.

5.4 **Legal structure:** nothing in this Agreement creates the need for additional legal structures. The parties intend to use the SPIP for management of the Oxfordshire Single Conversation.

5.5 **Approvals and consents:** individual councils responsible for locality priorities and projects may need to enter into more detailed arrangements and contracts with Agency and other partners. Before entering into any more detailed contractual commitments in relation to the Area and/or matters arising from this Agreement:

5.5.1 the Agency will need to obtain Project Executive and (where relevant) Board approval and Secretary of State consent .

5.5.2 the individual council and other partners involved will need to obtain committee / cabinet or other appropriate project approvals.

6 STAKEHOLDERS

6.1 Working jointly the SPIP and the Agency will engage with a wide range of public and private sector partners in order to achieve the Strategic Objectives for Oxfordshire identified within the Local Investment Plan. This will be achieved through all available consultation mechanisms (including those specific to particular locality or project requirements), but, in particular, the Partnership will hold occasional stakeholder events (known as the SPIP Forum).

7 INTERVENTIONS

7.1 The parties' priorities in terms of interventions are listed below from paragraph 7.11 to paragraph 7.22.

7.2 The parties' intend to undertake individual scheme investment appraisals. It is envisaged that legally binding agreements will be entered into in the future by the Agency and SPIP (and any other relevant parties) to regulate the carrying out of these project appraisals.

7.3 **Non-Negotiables**

7.3.1 Development achieved as a consequence of:

7.3.1.1 Financial Assistance provided by the Agency pursuant to the Housing and Regeneration Act 2008; and/or

7.3.1.2 Where the Agency otherwise contributes to the development (e.g. by contributing land)

Must meet the Agency's Design and Quality Standards.

7.3.2 The Agency will expect delivery to be carried out in accordance with its procurement policies.

7.3.3 The SPIP must adhere to the Agency's requirements in relation to apprenticeships and skills training, including provision of Employment and Skills strategies, plans and method statements to achieve at least the Agency's minimum benchmarks and to report on monitoring and compliance.

7.3.4 The Agency will expect adherence in all cases to its policies on Equality and Diversity and Community Engagement

7.3.5 The Agency reserves the right to insist on using its standard documentation in respect of any Financial Assistance or transactions relation to Agency land resulting from this Agreement

7.4 **Funding:** Subject to all necessary approvals and the availability of resources the Agency will endeavour to provide the investment from the following funding streams for 2010/11 onwards:

7.4.1.1 National Affordable Housing Programme

7.4.1.2 Property and Regeneration Programme

7.4.1.3 Growth Point Funding

7.4.1.4 Places for Change

7.4.1.5 Eco Town Funding

7.4.1.6 Decent Homes

7.4.1.7 Gypsies and Travellers

7.4.1.8 LA New Build

7.4.1.9 Public Land Initiative

7.4.10 This LIA will be amended to reflect any changes to the HCA's funding streams as they occur.

7.4.11 Details of the Agency's funding commitments at the time of the initial version of this agreement (as allocated to individual localities) are contained in Appendix 1 of the LIA. This Appendix will be updated regularly through the SPIP and updates should be viewed alongside the agreement.

7.4.12 Decisions on funding priorities and associated specific project arrangements will be managed using the relevant assessment sheets in Appendix 5 and 6 of the LIP. The

sheets include estimates of potential funding shortfalls. These Appendices in the LIP will be updated as required by the partners directly involved and details will be maintained alongside the regular update of Appendix 1 of the LIA.

7.5 **Other Agency resources:** Subject to all necessary approvals and the availability of resources the Agency also intends to provide.

7.5.1 Land – (As of April 2010 the only land holding the Agency control in Oxfordshire is the Fair Mile Hospital Site)

7.5.2 Advisory / Consultancy / Enabling / Training / Secondment / Joint Management

7.5.3 Technical support – The Agency internal Land and Development Consultancy provide a range of technical advice including, design and sustainable place making, financial appraisal and viability advice, strategic planning and environmental sustainability

7.5.4 Project Management

7.5.5 ATLAS – enabling support on individual large scale projects based on high quality planning, transportation, urban design, infrastructure and environmental sustainability

7.5.6 Agency – Skills & Knowledge Team

7.6 **SPIP resources:** the constituent councils intend to provide the following support:

7.6.1 Funding / land / employees / use of Compulsory Purchase Powers (if considered appropriate, although nothing in this Agreement will fetter the Council's discretion as to whether or not it will exercise its CPO powers)

LA'S / County to amend as appropriate

7.7 **Leverage of third party resources:** the Agency and the SPIP will work towards procuring:

7.7.1 other public funding for economic development / business analysis / skills / education / environment / transport / health

7.7.2 3rd sector involvement

7.7.3 Private sector investment

The Assessment sheets in Appendix 5 and 6 of the LIP will be used to indicate the arrangements for wider partner involvement (particularly private sector and housing association development partnerships and the role of other public agencies on infrastructure provision)

7.8 **Outputs and Outcomes:** The parties with lead responsibility for each locality will work together towards achieving the outcomes listed in Appendix 1 of the LIA and Part 3: Place Making of the LIP.

7.9 **Returns:** The Agency and SPIP will put into effect contractual arrangements to ensure that investments (other than normal scheme preparation / consultancy and grant payments) are recovered and recycled where appropriate.

7.10 **Timescales:** The key milestones for specific interventions are to be determined as part of detailed project management arrangements supporting the LIP (see 7.4.10/11 above). The overall LIP is managed on the basis of a 5 year plan where all schemes listed are regarded as deliverable in the short term (2010 – 2015). Detailed arrangements for interventions will be recorded and managed through update of the Assessment sheets at Appendices 5 and 6 of the Local Investment Plan as required. This will be undertaken by the partners directly involved in implementation. SPIP will receive reports on overall progress and the outcomes of progress monitoring will be included in the LIP when it is formally reviewed (see 8 below).

Intervention 1: Abingdon and Faringdon Locality - (Former Nursery and Cricket Ground Faringdon, South of Park Road and Coxwell House, Coxwell Road, Faringdon, Old Gaol, Abingdon, Sutton Courtenay (2 Sites), Other Towns and Villages) (Refer to Page 21 of Local Investment Plan)

7.11 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.

7.11.1 The Vale of White Horse will be responsible for overall management and monitoring of the LIP and outcomes achieved.

7.11.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention.

7.11.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter.

7.11.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives

7.11.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners.

7.11.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account.

Intervention 2 Banbury Locality - (Bankside Urban Extension, Banbury Canalside) (Refer to Page 23 of Local Investment Plan)

7.12 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.

7.12.1 Cherwell will be responsible for overall management and monitoring of the LIP and outcomes achieved.

7.12.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention.

- 7.12.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter.
- 7.12.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives .
- 7.12.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners.
- 7.12.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account.

Intervention 3 Bicester and Upper Heyford Locality - (NW Bicester Eco Town, SW Urban Extension, Bicester Business Park, Gavray Drive, Former RAF Upper Heyford) (Refer to Page 25 of Local Investment Plan)

- 7.13 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.
 - 7.13.1 Cherwell will be responsible for overall management and monitoring of the LIP and outcomes achieved
 - 7.13.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention
 - 7.13.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter.
 - 7.13.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives.
 - 7.13.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners.
 - 7.13.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account.

Intervention 4 Botley Locality - (Timbmet, Tilbury Lane, Lime Road) (Refer to Page 27 of Local Investment Plan)

- 7.14 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.
 - 7.14.1 Vale of White Horse will be responsible for overall management and monitoring of the LIP and outcomes achieved.
 - 7.14.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention.
 - 7.14.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter.
 - 7.14.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives .

- 7.14.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners.
- 7.14.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account.

Intervention 5 Didcot Locality - (Great Western Park (South), Great Western Park (Vale), Ladgrove East (South), Didcot NE Urban Extension (South)) (Refer to Page 29 of Local Investment Plan)

- 7.15 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.
- 7.15.1 Vale of White Horse and South Oxfordshire will be responsible for overall management and monitoring of the LIP and outcomes achieved.
- 7.15.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention.
- 7.15.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter.
- 7.15.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives
- 7.15.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners.
- 7.15.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account.

Intervention 6 Oxford Locality - (Small/Medium Windfall Sites, Oxford West End Renaissance, Barton, Small Regeneration Projects, Blackbird/Greater Leys, New Council House, Northern Gateway, Homelessness Projects) (Refer to Page 31 of Local Investment Plan)

- 7.16 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.
- 7.16.1 Oxford City Council will be responsible for overall management and monitoring of the LIP and outcomes achieved.
- 7.16.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention.
- 7.16.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter.
- 7.16.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives.
- 7.16.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be

required with relevant sector partners, relevant 3rd sector partners and private sector partners.

- 7.16.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account.

Intervention 7 Science Vale Locality- (Science Vale UK) (Refer to Page 33 of Local Investment Plan)

- 7.17 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.

7.17.1 Vale of White Horse will be responsible for overall management and monitoring of the LIP and outcomes achieved.

7.17.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention.

7.17.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter.

7.17.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives .

7.17.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners.

- 7.17.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account.

Intervention 8 Thame and Chinnor Locality - (Thame Extension, Thame United Football Club, Chinnor Cement Works, Chinnor) (Refer to Page 35 of Local Investment Plan)

- 7.18 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.

7.18.1 South Oxfordshire will be responsible for overall management and monitoring of the LIP and outcomes achieved.

7.18.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention

7.18.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter.

7.18.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives

7.18.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners.

- 7.18.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account.

Intervention 9 Wallingford and Cholsey Locality - (Fair Mile Hospital, Wallingford Extension) (Refer to Page 37 of Local Investment Plan)

- 7.19 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.
- 7.19.1 South Oxfordshire will be responsible for overall management and monitoring of the LIP and outcomes achieved.
- 7.19.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention.
- 7.19.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter.
- 7.19.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives.
- 7.19.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners.
- 7.19.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account.

Intervention 10 Wantage, Grove and Harwell Locality - (Grove Airfield, Grove, St Johns, NE, Wantage, Chilton Fields, Harwell, N Harwell Science and Innovation Campus) (Refer to Page 39 of Local Investment Plan)

- 7.20 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.
- 7.20.1 Vale of White Horse will be responsible for overall management and monitoring of the LIP and outcomes achieved.
- 7.20.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention.
- 7.20.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter.
- 7.20.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives .
- 7.20.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners.
- 7.20.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account.

Intervention 11 West Oxfordshire Strategic Sites Locality - (Chipping Norton, Carterton Expansion, Carterton, West Witney/ North Curbridge SDA, Market Town Schemes) (Refer to Page 43 of Local Investment Plan)

- 7.21 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.
- 7.21.1 West Oxfordshire will be responsible for overall management and monitoring of the LIP and outcomes achieved
 - 7.21.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention
 - 7.21.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter
 - 7.21.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives
 - 7.21.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners
 - 7.21.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account

Intervention 12 Rural Housing Locality- (Cherwell, South, West, Vale) (Refer to Page 43 of Local Investment Plan)

- 7.22 **Structure and Delivery:** the Agency's role in delivering interventions is to facilitate and assist the constituent council in delivering sustainable places at the local level.
- 7.22.1 SPIP will be responsible for overall management and monitoring of the LIP and outcomes achieved
 - 7.22.2 The relevant partner (normally the lead council) identified at Appendix 5 of the LIP will designate a project manager for each specific intervention
 - 7.22.3 The SPIP Executive Group will require a monitoring report on overall progress every quarter
 - 7.22.4 Individual interventions will be sponsored by the South East Regional Director in the Agency and the relevant SPIP Executive Group representatives
 - 7.22.5 The relevant partner (normally the lead council) will be the contracting party for specific interventions. It is envisaged that locally specific contracts will be required with relevant sector partners, relevant 3rd sector partners and private sector partners
 - 7.22.6 Either party may change the identity of the parties named above on written notice to the other, following consultation with the other party and taking their views into account
- 7.23 **Change control:** if SPIP believes that the timescales and/or scheme outcomes outputs referred to in this agreement will not be achieved, they will discuss the

reasons why and agree a revised programme and/or outputs. Any changes to anticipated expenditure and receipts will also need to be approved in writing by the relevant partners through detailed contracting arrangements for the relevant scheme and intervention. If timescales, outputs and/or anticipated expenditure/receipts are not achieved, the SPIP reserves the right to consider requiring repayment of funding and other resources provided and/or reallocation to an alternative intervention.

8 **MONITORING AND REPORTING**

- 8.1 The SPIP will collate monitoring data on a quarterly basis and share this information widely. The information for each intervention is to be collated into one report by reference back to the objectives set out in paragraph 2.3 above.
- 8.2 The SPIP will review the objectives report (arising from 8.1 above) regularly to consider progress made, and, at 18 month intervals, will formally decide whether the LIP itself and the terms of this Agreement should be reviewed and/or amended.

9 **RISK MANAGEMENT**

- 9.1 The SPIP has identified the following general risk factors:
- 9.1.1 Limited Public Sector Funding available
 - 9.1.2 No robust regional or local level Planning Policy in place
 - 9.1.3 Lack of Public and Political Support
 - 9.1.4 Land Ownership Issues
- 9.2 The SPIP will manage risk using the assessment sheets at Appendices 5 and 6 of the LIP. And will undertake the following in order to mitigate the above risks:
- 9.2.1 Ensure early liaison with relevant public sector partners
 - 9.2.2 Provide a strong evidence base to support the relevant planning documents
 - 9.2.3 Undertake early, comprehensive consultation with Council Members and Local Community
 - 9.2.4 Early engagement with landowners
- 9.3 The regular update of Appendices 5 and 6 of the LIP will provide an agreed current risk plan relating to individual schemes and interventions. This will support this Agreement.

Please let us know if there are any other risks you would like us to include

10 **ADDED VALUE**

- 10.1 The parties will work to achieve the shared ambitions identified within the Local Investment Plan

11 **TIMETABLE**

- 11.1 This Agreement will commence on 30th June 2010 and covers the five year period 2010 – 2015. This Agreement will automatically end, or be renewed, five years from

that date. Either party can withdraw from this Agreement on written notice to the other party (subject to paragraph 12). The SPIP acknowledges that the Agency is not able to commit to providing any funding, moral or otherwise beyond 31st March 2011.

12 GENERAL PROVISIONS

- 12.1 In consideration of the parties agreeing entering into negotiations for achieving the objectives set out in paragraph 2, the parties agree to be bound by the following sub paragraphs:
- 12.2 The SPIP warrants to the Agency that the execution of this LIA on behalf of the SPIP has been validly authorised by each of the local authorities, and subject to Clause 4.1 of the LIA, the obligations of the SPIP and each local authority under this LIA constitute valid, legal and binding obligations enforceable by the Agency against the SPIP and each local authority.
- 12.3 **Confidentiality and Freedom of Information:** each party recognises that it may receive confidential information (which should be marked as such) belonging to the other in connection with this Agreement. Neither party will disclose any such confidential information without the other party's prior written consent subject to paragraph 12.2 and 13.2.
- 12.4 The parties are both subject to various statutory requirements including in the Freedom of Information Act 2000 and the Environmental Information Regulations 2004, which may oblige them to disclose information if required to do so. The parties will co-operate with each other to fulfil their statutory duties.
- 12.5 Each Party recognises that it may be subject to legal requirements under the Data Protection Act 1998. The Parties agree that they will co-operate with each other to fulfil their statutory duties.
- 12.6 **Publicity:** any public announcements relating to this Agreement and its subject matter must be agreed with the other party in advance of the announcement.
- 12.7 **Dispute resolution:** if there is a disagreement over the terms of this Agreement, it will be escalated to Chief Executive / Director levels within the SPIP. If they cannot agree within a reasonable timescale, the matter will be referred to an appropriate expert for determination. Any associated costs should be shared between the parties that are in dispute.
- 12.8 **Governing law and jurisdiction:** the terms of this Agreement will be governed by and construed in accordance with English law.
- 12.9 **The parties agree to be legally bound by the provisions of this Section (12).**

13 TIMEBOUND TARGETS

- 13.1 Formal review of the LIP to be completed at 18 month intervals from the date of this agreement

13.2 50% of the housing development sites individually identified and listed as priority projects in the LIP to be started on site by 2013

The HCA will suggest some more measurable targets.

Signed for and on behalf of the **Homes and Communities Agency** Signed:

Name:

Position:

Authorised Signatory

For and on behalf of []¹

Date:

Date:

Annexures

Table showing current Agency Committed Funding (to be reviewed and updated quarterly)

Plan showing the extent of the Area

Local Investment Plan

[Other relevant documents, studies or reports]

Summary intervention plan

Risk plan

DRAFT

¹ Insert full name of (each) local authority – as per point 1.2. Depending on the constitutional make up of any local authority grouping, each authority may need to sign separately.

Executive report



2 July 2010

Report of Head of Finance

Author: Steve Lawrence

Report no. 21/10

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Wards affected: All

Executive member responsible:

Councillor Richard Webber

Tel: 01235 534001

E-mail: richard.webber@whitehorsedc.gov.uk

To: EXECUTIVE

DATE: 2nd July 2010

Treasury Management – Review of Activity in 2009/10

Recommendation(s)

- (a) *to note the return on cash invested during 2009/10 and the balances of the funds at 31 March 2010.*
- (b) *to note the prospects for the return on investments in 2010-11*
- (c) *to consider any comments made on the report by Audit and Governance Committee at its meeting on 30 June 2010.*

Purpose of Report

- 1.1 The Vale Council's Treasury Management Policy requires a report to be made on treasury management performance in the previous financial year. It is also required by the CIPFA Treasury Management Code of Practice as embodying sound financial management.
- 1.2 This report details the Council's cash investment performance in the financial year 2009/10 and highlights any treasury management issues. The return on investment property is included in the 2009/10 Revenue Budget Out-turn report which is on the agenda for Executive in September.

Strategic Objectives

- 2.1 The report helps us to achieve our strategic objective of managing our business effectively by providing transparency and demonstrating effective management of our investments. The income from the investment portfolio contributes to the revenue budget.

Background

- 3.1 This report outlines the performance over the last financial year of those funds managed in-house and those managed by *Investec Asset Management*, the Council's appointed investment manager. The Fund Manager's performance is reviewed by *Butlers*, the Council's investment adviser. In addition, the report presents Members with a general overview of the current situation in the investment market.

In-house Investment Performance

- 3.2 At the beginning of 2009/10 cash managed in-house totalled £2.7m. During the year the maximum invested at any time was £20.5m and the total of investments made (turnover) was £162m. In-house investment income in the year amounted to £128,103 on an average balance of £11.94m - an average return of 1.07%. At 31 March 2010 the cash managed in-house totalled £0.59m
- 3.3 It was necessary to borrow £2m at 0.48% for 17 days at the end of the year and another £0.7m at 0.4% for 2 days in order to cover a temporary cash flow shortage. This was well within the authorised borrowing limit of £5m agreed in the annual Treasury Management Strategy.
- 3.4 It is difficult to set targets for this sort of operation which aims to maximise returns within the constraints of security, liquidity and flexibility. Some measure of achievement can be obtained by looking at the rates achieved compared to a benchmark. *Butlers* use the widely published 7-day LIBID rate (London Inter-bank Bid rate – the rate at which a bank is willing to borrow from other banks) although this has become very erratic in the current economic circumstances.

In-house investment performance against benchmark.

Rate of return:	2007/08	2008/09	2009/10
In-house investment team	5.93%	4.84%	1.07%
7 day LIBID	5.72%	3.60%	0.37%
LIBID exceeded by:	0.21%	1.24%	0.70%

- 3.5 The Council only holds funds to meet its daily cash-flow requirements and also invests the council tax and business rate receipts for a short temporary period until they are due to be paid over to precepting authorities or central government. The weighted average life of this council's investments in the year was only 19 days. (The weighted average life is an average of the length of period of investment with a £2m loan

counting twice a £1m loan etc.) The current, restricted availability of suitable counterparties (i.e: the financial institutions to whom we are willing to lend) and the present very low rates available (the costs of lending £500,000 overnight exceeds the income achieved) has meant that it has not been possible to achieve the rates of return seen in previous years. This is common to all local authorities and not just this Council. The market still expects the next movement in rates will be a steady climb so authorities with more funds at their disposal can take advantage of the better rates on offer for longer periods but, of course, will have to be careful who they are dealing with. For comparison the other Oxfordshire districts have been asked for their returns in 2009-10.

External Fund Managers

- 3.6 The performance in 2009/10 is set out below showing the fund manager's return before payment of fees.

Sum Managed at 1.4.2009	£15,115,968
Sum Managed at 31.3.2010	<u>£15,334,221</u>
Increase in value during year (gross)	£ 218,253

The Council's money is held in what is known as a 'cash plus' fund and the manager is allowed to hold a wider range of investments within the constraints that apply to local authorities and the requirement for security mentioned above. This includes certificates of deposit (CDs) and government-issued stock (gilts) which may be held with the intention of making a return, not just from the yield, but from changes in value over a period. For this reason the return above may be unrealised at the year-end and the fund manager is allowed to retain this increase value within the fund until it is needed to be paid over to the council.

- 3.7 The result for *Investec* shown above equates to a gross rate of return (i.e. before fees) of 1.44% (1.31% after fees). References to fees relate to the actual charges made per quarter. In accordance with industry practice the fund manager deducts the fees from the sums held but these are accounted for as a revenue cost by the Council.

Investec Performance over 3 years (net of fees)

Rate of return:	2007/08	2008/09	2009/10
Investec Asset Management	5.86%	7.42%	1.31%
7 day LIBID	5.72%	3.60%	0.37%
LIBID exceeded by:	0.14%	3.82%	0.94%
Comparable LA funds average*	5.79%	6.48%	1.37%
Average exceeded/(short) by:	0.07%	0.94%	(0.06%)

- 3.8 The Council's investment advisers (*Butlers*) provide the comparative figures* and have reported on the state of the market and the performance of the fund manager (*Investec*). They commented that the economic climate meant that performances for the year still suffered from the problems of low and declining yields and interest rates. Extreme volatility meant that the risk of loss from tactical trades in the gilt-edged market was a major deterrent to investment in this area. They point out that some of

the advantages of a segregated fund such as this are top-quality counterparties and good liquidity, which are valuable attributes in the current difficult economic climate.

Investment Income Review

- 3.9 The actual investment income achieved in 2009/10 was well below the original budget forecast by £0.445m (£0.791m to £0.346m) although it was ahead of the revised forecast done February 2010 by £8,356.

Out-turn compared with budget – investment income earned

	Fund manager	In-house team	total
Original budget 2009-10	£ 512,400	£ 279,000	£ 791,400
Actual out-turn 2009-10	£ 218,253	£ 128,108	£ 346,361
Out-turn short of budget by:	£ 294,147	£ 150,892	£ 445,039

The actual return achieved was 43.8% of the budget and this was due to the fact that interest rates dropped to (and then have held at) an historic low; this was not anticipated when the budget for 2009/10 was being drawn up in January 2009.

Events during the year

- 3.10 This has been a much quieter year for the council. The Bank of England (BoE) reduced its Base Rate to 0.5% (the lowest rate on record) in March 2009 and has held it at that level since. This has seen a corresponding drop in both LIBOR (the London Inter-bank Offered Rate) and the LIBID. The Government's Debt Management Office (DMO) is offering rates at about 0.25%. As a comparison, if the Council had invested its surplus funds with the safer DMO investment facility, the total return for the in-house investments would have been less than £25,000, which is about one quarter of that actually achieved (note: these comparator figures exclude interest from investments made in 2008/09 that matured in 2009/10 and deposits on call with money market funds).
- 3.11 The Council still holds a fixed-term deposit of £1m with Landsbanki, one of the Icelandic banks in administration. Recovery of these investments by public authorities is being pursued as a group action by the LGA through the Icelandic courts and the Council is still anticipating to receive a substantial proportion of this deposit (and accrued interest) back.

Forward look to 2010/11

- 3.12 The outlook for Treasury in 2010/11 is similar to the previous year. Markets are continuing to remain volatile and unpredictable. Economic recovery is likely to be slow, and correspondingly, the BoE Monetary Policy Committee (MPC) is unlikely to risk jeopardising the "green shoots" through interest rate changes. That said, recent increases in the level of the Consumer Price Index (CPI) above the target 2.0%, may see the base rate increase in the near future. Analysts are predicting the rate to increase around the middle of the financial year. LIBOR and LIBID have shown signs of steadily increasing in the recent months.
- 3.13 The effect of rising rates will mean that the rate of return on investments for the Council would be better than 2009/10. A series of short-term investments will always

do better in a market with rising interest rates – this will suit the Council's in-house investments.

- 3.14 The estimate of investment income for the 2010/11 budget was based on economic predictions in January 2010, which had the BoE base rate rising to 1.5% by the end of the year - current indications are that this may not happen and the fund manager has consequently revised his forecast of the probable return for the year down to 1.5% from 2.0%. This will also mean that the in-house return will be a little worse than expected.

Options

- 4.1 Not applicable as this is an information report, however it recommended that there are no changes to the Treasury Management process.

Financial Implications

- 5.1 The report gives financial information to help Members oversee the treasury management function. The budgeted net income for 2010/11 is £489,900 and whilst there is no additional expenditure involved, the report raises the prospect of a continuing shortfall in investment income in 2010-11 against this budget. This will be reflected in the in-year budget monitoring reports.

Legal Implications

- 6.1 Other than the current litigation regarding the Icelandic Bank deposit which is being administered by the LGA, there are no legal implications to this report.

Risks

- 7.1 Treasury investments are made using the following principles (listed in order of priority):
- Security – certainty of return of the principal invested.
 - Liquidity – the principal is returned at the time required for effective cashflow management.
 - Yield – the Council achieves the best return on investment as possible without unnecessary exposure to risk.
- 7.2 Treasury Management Practices lay down good practice to follow in order to reduce the level of risk involved in the treasury activities as much as possible; however, with the volatility of the markets, there will always be an element of exposure to risk. To reduce risk to its absolute minimum would mean that the level of return on investments will impact upon the revenue income of the Council.

Other implications

- 8.1 None – information report.

Conclusion

- 9.1 The return on cash invested was considerably lower than initially anticipated in 2009/10 due to the sustained very low interest rates – the outturn position was very close to that expected during budget monitoring revisions. It will remain difficult to achieve the budgeted return in 2010-11 if interest rates do not rise over the year as market analysts were predicting in January 2010, and market conditions continue to restrict the available counter-parties the in-house team can lend to – this has been reflected in the lower budget set for 2010/11.

Background Papers

- Treasury Management Policy agreed by Council 19 December 2001
- Treasury Management Strategy agreed by the Executive February 2010
- Fund manager review published by Butlers 7 May 2010

Executive report



2 July 2010

Report of Head of Finance

Report no 22/10

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Executive member responsible:

Councillor Richard Webber

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To: EXECUTIVE

DATE: 2nd July 2010

Provisional Capital Programme out-turn 2009/10 and capital budget carry forward requests

Recommendations

- (a) *to note the expenditure on capital projects in the financial year 2009/10.*
- (b) *to agree the revised expenditure profile for capital projects and carry-forward of budgets to 2010/11 (total £308,891).*

Purpose of Report

- 1.1 This report forms part of the continuing provision of financial information to allow Members to review the performance of their services. Paragraph 3.1 of the report sets out the development of the capital budget during the year and Appendix A details capital expenditure in 2009/10 (subject to audit) on projects in the agreed capital programme and requests budget carry-forward where necessary.

Strategic Objectives

- 2.1 The report provides transparency and allows us to demonstrate effective stewardship of the capital programme. The agreed capital programme provides capital assets to support delivery of many of the Council's Strategic Objectives, whilst managing our business effectively and providing value for money services that meet the needs of our residents and service users.

Background

Actual Capital Expenditure compared to the Budget

- 3.1 The report sets out at Appendix A the Council's capital programme for 2009/10 to 2011/12. Details are provided of:
- the revised budget for 2009/10 agreed February 2010
 - the actual expenditure and income to the end of March 2010 (subject to audit),
 - any unspent budget that the budget-holders wish to carry forward,
 - the agreed budget for 2010/11,
 - proposed expenditure in 2011/12 for continuing schemes.
- 3.2 The original capital expenditure budget of £2,432,574 for 2009/10 was agreed in February 2009 with £608,000 of the budget funded by grants and contributions. In August 2009 budget carry-forwards of £705,400 from 2008/09 were agreed with £168,391 of this funded by grants and contributions, which were also carried forward. There were no additional budget bids during the year. In February 2010 a revised capital budget for 2009/10 of £2,411,369 was agreed with £757,891 met from grants and contributions.
- 3.3 Actual capital expenditure for 2009/10 amounted to £2,049,562 of which £734,398 was funded by grants and contribution, leaving £1,315,164 to be met from the capital reserves.

Options

- 4.1 Members have the option to approve all, some or none of the carry forward requests. The carry forwards are not additional budget, but previously agreed budget that has not yet been spent (although some of the budget requested to carry forward may contractually be committed). Any carry forwards that are not agreed will result in the budget for that project being reduced, which may mean the project can no longer be delivered in full or the project being shelved. Some schemes are funded wholly or partly by grants and contributions. If the project is shelved it might result in grants or contributions already applied having to be repaid.

Financial Implications

- 5.1 The report gives financial information to help Members manage their services and requests unspent budget be carried forward from 2009-10 to 2010-11. There is no additional expenditure involved.

Legal Implications

- 6.1 This is mainly an information report; however, the Council may be contractually obliged to fund some projects for which a carry forward is requested.

Risks

- 7.1 There is a risk if some carry forward requests are not agreed that the council would be legally obliged to make the payment anyway. For instance, the request on YC21 is to pay outstanding retention on the contract to install new air-handling units at Faringdon Leisure Centre. In other instances where there are no legal implications, rejection of the request could mean that the project might not be completed to the originally specification, if at all, leading to complaints from residents, service users and partners. For instance the carry forward of £30,000 on YP01 is a contribution to Oxfordshire County Council for the paving works in Abingdon High Street.

Other implications

- 8.1 The Capital programme ranges across many areas of the Council and failure to deliver projects could impact on future service delivery.

Conclusion

- 9.1 The column in Appendix A headed "c/fwd to 2010/11 requested" lists unspent budget from 2009/10 where the officer responsible still needs to incur further expenditure to complete the scheme. Many of these sums are committed or unavoidable.
- 9.2 Taken separately the capital expenditure budget carry forwards requested total £308,891, which is a significant reduction on the previous year. Of this figure, £44,790 will be met by grants and contributions also carried forward.

Background Papers

- None

Appendix

- A. Capital programme for 2009/10 to 2011/12.

new cost centre	officer resp.		exp. to 31.3.09	revised budget 2009/10	provisional out-turn 2009-10	c/fwd to 2010-11 requested	original budget 2010/11	proposed 2011/12	revised total cost 01.04.2010	proposed estimated total cost	F/Y Rev. cost once complete	comments
			£	£	£	£	£	£	£	£	£	
specific projects			whole project cost									
YA02	PD	Sewage works	70,523				30,000		100,523	100,523		
YA04	KC	Mobile Home Parks - Base replacement	62,174	11,645	9,781	1,864			73,819	73,819		new 4 year agreed - see below
YA05	KC	M H P - Junct. box replacement	56,405	16,080		16,000			72,485	72,405		new 4 year agreed - see below
YA07	IRM	Great Coxwell Church Wall	1,732				19,200		20,932	20,932		
YA08	AJM	Guildhall rear entrance repair and renovation	69,191	13,280					82,471	69,191		finished
YA09	MTL	Skate Park in Abingdon	134,472	3,220	6,122				137,692	140,594	2,000	
YA19	WB	Replacement hot water boilers in Abbey House		14,000	13,851		1,000		15,000	15,000		
YA20	PD	Revetment works at rivers Ock and Thames		22,058	22,058		53,000		75,058	75,058		
YC02	DW	Additional green boxes and replacements	93,514	22,000	31,383				115,514	124,897	(40,200)	
YC06	MTL	Pitches, pathways etc at Mably Way Grove VWH cont.	74,688	28,100	15,831	12,269			102,788	102,788	3,500	extra grant received - see below
YC07	DW	Green waste wheeled bins	223,473	83,710	83,710				307,183	307,183	(4,040)	
YC15	AB	Public Arts projects funded by contributions	141,500	10,000	9,167		100,000		250,000	250,000		all funded from contributions
YC17	IRM	Water feature in Manor Park, Wantage. Lottery aided	11,779	135,066	138,144	(3,078)	3,200		150,045	149,921		retention paid earlier than expected
YC21	CW	Faringdon LC replacement air handling units		70,000	67,719	2,281			70,000	70,000		Retention to pay
YC23	SW	Purchase bins for new waste contract					2,146,521		2,146,521	2,146,521	(195,955)	
YD04	AS	Replacement cash receipting and distribution system	46,812	11,190	10,237				58,000	57,049	7,500	
YD05	LB	Interactive forms on website					30,000		30,000	30,000	6,000	
YD06	LB	Replace existing PCs across council		18,750		18,750	18,750		37,500	37,500		
YD07	LB	Shared email system VWH/SODC		40,000	20,608				40,000	20,608	5,000	finished - saving
YF04	WJ	Capita computer equipment	496,587	3,914	4,445		78,278	30,006	608,785	609,316	(104,540)	
YH01	HN	Support development of Social Housing	631,308	162,500	162,500		206,190		1,000,000	1,000,000		
YH11	PAS	Development of site in Harcourt Way for temp. accomdn	11,215	3,800	1,000				15,015	12,215	(10,000)	
YH12	LH	Replacement CCTV cameras in Abingdon & Wantage	58,040	29,177	16,497	12,680	62,780		150,000	150,000		
YH14	PAS	Enhanced choice-based lettings inc. Oxon wide		17,130	10,648	1,480			17,130	12,128	11,860	bit still to pay. Saving
YH15	ST	Climate change investment fund		75,000	8,829	66,171	75,000	50,000	200,000	200,000	(16,175)	
YP01	MT	ABITS implementation	74,524	30,000		30,000	160,880		265,400	265,400		allocated
YP02	MT	Southern Central Oxfordshire Transport Study	13,600				30,000		43,600	43,600		
YP03	TW	Rural Towns Initiatives	107,954	10,000	15,469		100,000		218,000	223,423		
YP05	MG	Electronic delivery of planning service	56,483	43,520	21,099	22,421			100,000	100,000		funded from Gov't grant
YP06	AW	New paths/cycleways	3,029	5,000		5,000	71,500		79,529	79,529		
YP07	GW	Staff lockers and cycle parking - green travel	12,408	3,000					15,408	12,408		curtail
YP10	TW	Contribution to Lottery and other grants support fund		10,900	10,900				10,900	10,900		
YP11	TW	Cont. to Abingdon Museum access and refurbishment					150,000	150,000	300,000	300,000		
total specific schemes			2,451,411	893,040	679,998	185,838	3,336,299	230,006	6,909,298	6,882,908	(335,050)	
continuous schemes			1 year only			5 years from 2009-10 only						
YA01	PD	Flood Prevention	7,699	22,400	16,910	5,490	313,650	45,000	486,050	486,050		Grant funding rec'd from Env. Agency for extra schemes in 10/11 & 11/12
YC03	IRM	New & upgraded parks facilities - Council owned	22,573	73,029	77,771	19,400	15,000	15,000	133,029	157,171		addnl grant funding received. See below
YH05	PH	Renovation/Disabled Grants, mandatory	810,744	890,000	890,009		850,000	850,000	4,290,000	4,290,000		
YH06-09	PH	Renovation/Disabled Grants, discretionary	89,105	158,900	60,737	98,163	90,000	90,000	518,900	518,900		
total continuous schemes			930,121	1,144,329	1,045,427	123,053	1,268,650	1,000,000	5,427,979	5,452,121		

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new cost centre	officer resp.		exp. to 31.3.09	revised budget 2009/10	provisional out-turn 2009-10	c/fwd to 2010-11 requested	original budget 2010/11	proposed 2011/12	revised total cost 01.04.2010	proposed estimated total cost	F/Y Rev. cost once complete	comments
			£	£	£	£	£	£	£	£	£	
Proposed schemes												
		Replacement heating boilers in Abbey House						80,000	80,000	80,000	(3,600)	
YC23	SW	Additional wheeled bins for new properties					24,400	47,200	213,200	213,200	varies	Some funded from contributions
YA04	KC	Mobile Home Parks - Base replacement					11,000	11,000	44,000	44,000		4 year programme
YA05	KC	M H P - Junct. box replacement					11,000	11,000	44,000	44,000		4 year programme
YD08	WB	Business support unit - industrial printer					13,000		13,000	13,000		
YC24	KA	Maintain building fabric - leisure facilities					200,000	200,000	600,000	600,000	50,000	Loss of income during works £50k plus claims from Leisure contractors
YP12	MG	Online payment for planning applications					10,000		10,000	10,000		Some saving in staff time
YP13	MG	Electronic consultation on planning applications					8,000		8,000	8,000	(1,000)	
	BW	Capitalisation of one-off reorganisation costs		374,000	324,137				374,000	324,137	(1,400,000)	Savings from reorganisation.
YA18	WB	Development of additional plots at Mobile Home Park	8,920				800,000		808,900	808,920	(9,000)	Will generate £1.1m capital receipt
proposed new schemes from 2010-11				374,000	324,137		1,077,400	349,200	2,195,100	2,145,257	(1,363,600)	
TOTAL CAPITAL PROGRAMME			3,381,532	2,411,369	2,049,562	308,891	5,682,349	1,579,206	14,532,377	14,480,286	(1,698,650)	
Proposed funding												
YA01	AJM	Flood prevention, Environment Agency grant		(14,500)	(10,650)	(3,850)	(151,800)		(226,300)	(226,300)		additional grant
YC03	IRM	Upgraded parks - contributions		(50,000)	(70,880)	(1,250)			(50,000)	(72,130)		
YC06	MTL	Pitches, pathways at Mably Way Grove grant rec'd	(4,950)	(28,100)	(15,831)	(12,269)			(33,050)	(33,050)		
YC15	AB	Public Arts projects funded by contributions	(141,500)	(10,000)	(9,167)		(100,000)		(250,000)	(250,000)		all funded from contributions
YC17	IRM	Lottery fund grant towards water feature	(11,779)	(73,221)	(73,221)				(85,000)	(85,000)		
YH05	IF	Gov't subsidy to Disabled Facilities Grant, existing	(486,446)	(533,550)	(533,550)		(510,000)	(510,000)	(2,573,550)	(2,573,550)		limited by DCLG
YP05	MG	Electronic delivery of planning service PDG	(56,483)	(43,520)	(21,099)	(22,421)			(100,000)	(100,000)		
YP06	GW	Cyclepath Willow walk. Contribution from developer	(2,000)	(5,000)		(5,000)	(43,000)		(50,000)	(50,000)		
Balance from capital receipts			(2,678,374)	(1,653,478)	(1,315,164)	(264,101)	(4,877,549)	(1,069,206)	(11,164,477)	(11,090,256)		
Capital receipt c/f from previous year				11,100,000	11,100,000	9,784,836	9,520,735	7,468,186				
projected increase in capital receipts in year							2,825,000	1,775,000				
Capital receipt balance to b/f				9,446,522	9,784,836	9,520,735	7,468,186	8,173,980				