

Date: 24 January 2008

TO: All Members of the Executive
FOR ATTENDANCE

TO: All Other Members of the Council
FOR INFORMATION

Dear Sir/Madam

Your attendance is requested at a meeting of the **EXECUTIVE** to be held in the **GUILDHALL, ABINGDON** on **FRIDAY, 1ST FEBRUARY, 2008** at **2.30 pm**.

Yours faithfully

Terry Stock
Chief Executive

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.

A G E N D A

A large print version of this agenda is available. Any background papers referred to may be inspected by prior arrangement. Contact Steve Culliford, Democratic Services Officer on telephone number (01235) 540307; e-mail: steve.culliford@whitehorsedc.gov.uk.

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 Officer know beforehand and he will do his very best to meet your requirements.

Open to the Public including the Press

Map and Vision

(Page 10)

A map showing the location of the venue for this meeting, together with a copy the Council Vision is attached.

STANDING ITEMS

1. Apologies for Absence

To receive apologies for absence.

2. Minutes

To adopt and sign as a correct record the public minutes of the meeting of the Executive held on 7 December 2007, (previously circulated).

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.

Any Member with a personal interest or a personal and prejudicial interest in accordance with the provisions of the Code of Conduct, in any matter to be considered at a meeting, must declare the existence and nature of that interest as soon as the interest becomes apparent in accordance with the provisions of the Code.

When a Member declares a personal and prejudicial interest he shall also state if he has a dispensation from the Standards Committee entitling him/her to speak, or speak and vote on the matter concerned.

Where any Member has declared a personal and prejudicial interest he shall withdraw from the room while the matter is under consideration unless

- (a) his/her disability to speak, or speak and vote on the matter has been removed by a dispensation granted by the Standards Committee, or
- (b) members of the public are allowed to make representations, give evidence or answer questions about the matter by statutory right or otherwise. If that is the case, the Member can also attend the meeting for that purpose. However, the Member must immediately leave the room once he/she has finished; or when the meeting decides he/she has finished whichever is the earlier and in any event the Member must leave the room for the duration of the debate on the item in which he/she has a personal and prejudicial interest.

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 and Petitions from the Public Under Standing Order 32

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

6. Questions from the Public Under Standing Order 32

Any questions from members of the public under Standing Order 32 will be asked at the meeting.

(1) Question from Mr Les Clyne of Abingdon:

"Please could the following question be put on the 1st February 2008 Executive Meeting Agenda for written reply by Mary de Vere, as Executive Member responsible for housing, within 10 working days of the meeting.

1. The Executive Initial Draft budget for 2008/2009 has as one of its main objectives affordable housing and states an aim to produce 400 units over 4 years (April 2008 - April 2012). The Vale Local Development Plan published in 2006, which is still in force, has an aim to permit and complete 2126 units of housing between 1 April 2005 and 1 April 2011, of which around 2000 would fall in the category where the Vale's target for affordable housing of 40% would apply. Thus the Vale's overall target is to produce 40% of 2000, i.e. 800 units of affordable housing, by April 2011. To date (January 2008) only 120 of the 800 have been permitted (e-mail correspondence and table from Jerry Patterson to me dated 14th January 2008). Why is the Vale proposing to extend its timescale by a year (to 2012 instead of 2011) and to cut its planned target by around 50% from 800 to 400, has it informed central Government of this massive change to its development plan, and has it been given approval for this change?"

7. Referral under the Overview and Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules

Strategic Review Committee – 22 January 2008
The Executive's Initial Budget Proposal 2008/09

The Strategic Review Committee, at its meeting on 22 January 2008, considered the Executive's Initial Budget Proposal 2008/09. The Committee (by 7 votes to nil, with 4 abstentions (the Conservative Members having abstained)) accepted that the totality of the Executive's thinking in the budget round was reasonable; the growth proposals detailed in revised Appendix E were acceptable and understood; the Officer saving proposals identified in the revised Appendix G were clear in terms of the implications for services and outcomes; and that the risks of setting a Council Tax increase at 4.99% were understood.

However, the Conservative Group had concerns that the Medium Term Plan to 2011/12, as set out in the revised Budget Proposal, detailed further savings of £135,000 from 2009/10 onwards but had not identified how these would be achieved and whether there would be any impact on front line services.

8. Referrals from the Overview and Scrutiny Committees and Other Committees

Scrutiny Committee – 13 December 2007

(a) Call In of Executive Decision – Transfer of Payroll Service

At the meeting of the Scrutiny Committee, held on 13 December 2007, the decision taken by Councillor Jerry Patterson to transfer the Council's payroll service to South Oxfordshire District Council was called in for further scrutiny, as it was felt that one of the six options identified for the future delivery of the service (option 6) had not been explored sufficiently. At the meeting, the Committee considered further information from the Council's Head of Human Resources on option 6 and in the light of this the further information, had no concerns regarding the decision taken by Councillor Patterson. However, in reaching this decision the Scrutiny Committee resolved that the Executive be advised that in future full information should be included in all Executive Member decision notices.

(b) Review the Activity of the Executive
Minute Ex.102 – Health and Safety Training

The Scrutiny Committee noted that the Executive, at its meeting on 7 December 2007, had recommended that the Council makes it a mandatory requirement for all Members of the Executive and the Scrutiny Committee to be accredited to the Institute of Occupational Safety and Health 'Safety for Senior Executives' training standard and request the Strategic Director and Monitoring Officer to arrange evening training session options to which other Members of the Council are to be invited also.

In considering this matter the Scrutiny Committee was opposed to making the training mandatory for Members of the Scrutiny Committee and has recommended Council accordingly.

9. Financial Monitoring

(Page 11)

Members are requested to consider any significant budget variances and any requests for virement or permanent budget adjustment.

KEY DECISIONS

10. Forward Plan

(Pages 12 - 14)

To receive the Forward Plan containing Executive decisions to be taken from February to May 2008.

Recommendation

that the Forward Plan be received.

11. **Budget Proposals 2008/09**

To receive and consider the Draft Budget Proposal for 2008/09 (stapled separately).

OTHER MATTERS

12. **Treasury Management and Investment Strategy**

(Pages 15 - 21)

To receive and consider report 137/07 of the Strategic Director and Chief Finance Officer.

Introduction and Report Summary

The Treasury Management Policy, agreed by Council December 2001 requires the approval of an annual Treasury Management Strategy for the next financial year. This is in line with the CIPFA Code of Practice on Treasury Management.

The Department for Communities and Local Government (DCLG) has issued guidance under Section 15 of the Local Government Act 2003 on Local Government cash investments which requires approval of an Annual Investment Strategy. The guidance acknowledges that it might be convenient to produce a single document that meets the requirements of the CIPFA code and the Secretary of State's guidance.

This report puts forward an Annual Strategy for this authority for 2008/09 which, as last year, complies with the CIPFA code and the DCLG guidance. This is largely unchanged from the existing strategy for 2007/08. This strategy restricts itself to non-property investments. For property investment, Members should refer to the Investment Policy last agreed by the Council on 24 March 2004

The Contact Officer for this report is Steve Lawrence, Principal Accountant (Technical), telephone (01235 540321), email: steve.lawrence@whitehorsedc.gov.uk.

Recommendation

Members are asked to approve the Annual Treasury Management & Investment Strategy for 2008/09 (set out at Appendix A), and the limits and guidelines specified therein.

13. **Review of Sub-National Economic Development and Regeneration - Consultation by ACTVaR**

(Pages 22 - 26)

Attached is a copy of a letter from the Association of Councils in the Thames Valley Region (ACTVaR) which seeks a view from this authority on the Review of Sub-National Economic Development and Regeneration. ACTVaR's Steering Group is meeting on 22 February 2008 to consider responses. ACTVaR's agenda item

accompanies its letter attached on pages 22 - 26.

Recommendation

That the Executive determines its response to ACTVaR's consultation.

14. Review of National Non-Domestic Rates Discretionary Relief

(Pages 27 - 35)

To receive and consider report 138/07 of the Strategic Director and Chief Finance Officer.

Introduction and Report Summary

The purpose of this report is to agree a new simplified process for awarding National Non-Domestic Rate discretionary relief (business rates relief) that supports delivery of the Council's Corporate Plan and Community Strategy. The report will aim to establish a clear, transparent policy with an unambiguous link to the aims, objectives and priorities of the Council.

This report is a review of the criteria for granting discretionary rate relief from rates on any non-domestic property only and makes no proposals in relation to mandatory rate relief as the Council has no discretion in such matters; where it acts as the agent of central government.

The contact officer for this report is Paul Howden, Revenues & Benefits Client Manager (Tel: 01235 540385; email paul.howden@southoxon.gov.uk).

Recommendations

Members are requested to approve:

- 2.1 The categories of organisation eligible for National Non-Domestic Rates discretionary rate relief from 1 April 2008 as set out in Appendix A of the report.*
- 2.2 The level of award to different types of organisation from 1 April 2008 as set out in Appendix B of the this report, subject to any over-riding considerations that mitigate against making an award to a particular organisation.*
- 2.3 A cap of £8,000 on the amount of discretionary rate relief and £4,000 on the amount of discretionary top-up rate relief that any organisation can receive in respect of a particular premises in any one financial year, unless it is in the financial interests of the Council to facilitate a larger amount being awarded. The cap limits are to be reviewed each financial year and will rise in line with inflation and the non-domestic rates multiplier.*
- 2.4 The decision to award discretionary relief to be delegated to the Chief Finance Officer based on the categories agreed by the Executive.*
- 2.5 A review of the eligibility of the organisations that are currently being granted rate relief.*

2.6 *The criteria for discretionary relief will to be reviewed at least every three years in line with the changing priorities of the Council commencing from year 2010 – 2011.*

15. Tugwell Fields, Wantage

(Page 36)

(Wards Affected: Wantage Charlton)

A request has been received from Wantage Silver Band and Wantage Concords Football Club for a agreement to build / conditional lease which, subject to funding, would create a 99 year ground lease on an area of land measuring approximately half an acre. This land is cross hatched black on the attached plan. Principal terms and conditions for the lease have been provisionally agreed subject to appropriate authorisation.

The position of both organisations as regards funding has not yet been determined. Both organisations will require an agreement to build / conditional lease in order that they may qualify for grant monies. The agreement to build /conditional lease is therefore essentially required to lever in funding by external organisations.

The main heads of terms are as follows:

- A nominal rent.
- The land to be used solely for the construction and subsequent occupancy of a community hall to be used primarily by the Wantage Silver Band in whose name the lease will be granted. A portion of the hall will/may also be used for Wantage Concords as changing rooms.
- That the premises can be used only for purposes compatible with community or charity use.
- That a finite period of time be agreed with both organisations for the availability of funding to be confirmed or otherwise. Failing the identification of adequate funding the agreement would effectively fall away.

The land is held via a long lease from Oxfordshire County Council (the Superior Landlord). In addition access to the site will need to be improved to facilitate the construction of the hall.

The grant of a lease(s) will be conditional upon the following:

- (i) Obtaining the consent of the Superior Landlord to the transaction.
- (ii) Obtaining a satisfactory planning consent (insofar as necessary) for both the Landlord's works (the construction of the access road and possibly ancillary car parking), and the construction of the building. A planning permission was granted on the 13th December (Application No: WAN/20297).
- (iii) Obtaining the necessary funding for the construction of the building and approval of the funding institution to the transaction. Due to the nature of the various grant funding regimes a commitment to lease is required to qualify for such funding.
- (iv) Completion or an undertaking to complete the Landlord's works which will include the creation of pedestrian and vehicular access way to the property,

and the construction of service conduits to the property insofar as they are not already available.

Agreement as to the precise nature of the landlords works together with the form and extent of the building have yet to be finalised. Landlord works will be funded via Section 106 monies. The Vale's reasonable valuation and legal costs together with other fees and disbursements will be borne by the Wantage Silver Band.

Recommendations

- (a) *An agreement to build / conditional lease is granted to Wantage Silver Band and Wantage Concords upon the above terms and conditions. The agreement to build / lease to be granted conditional upon sufficient funding being raised to complete the development;*
- (b) *That delegated authority be given to the Chief Executive to vary and or amend the stated terms and conditions as occasion demands;*
- (c) *That no financial burden fall to this Council in facilitating the scheme; and*
- (d) *That the precise extent of the land to be leased particularly in relation to the provision of car parking be determined once the financial position of the respective organisations becomes clearer, together with such reserved rights as the Council may require.*

16. Climate Change Project Board

The Council's first Climate Change Strategy was approved by the Executive at its meeting on 7 December 2007. The Executive requested that a further report be bought to its February meeting detailing the content and role of the proposed Climate Change Project Board. It is proposed that a project board be established in accordance with the guidelines already established by the Organisational Development and Support Service. The Climate Change Project Board will challenge and scrutinise the work of the Climate Change Project Team, and monitor the implementation of the Climate Change Strategy. The project team will be composed of 6 to 8 officers, all of whom have a key role in delivering same aspect of the Council's Climate Action Plan as detailed in the Strategy.

The proposed composition of the Project Board is:

- The Executive Portfolio Holder for Housing and Community Safety
- The Deputy Director (Housing and Community Safety) – Service provider with responsibility to deliver the strategy
- Another Deputy Director of the Chief Executive's choice

Recommendation

That the Climate Change Project Board is established to challenge and scrutinise the work of the Climate Change Project Team, and monitor the implementation of the Climate Change Strategy and that the Project Board consists of:

- *The Executive Portfolio Holder for Housing and Community Safety*
- *The Deputy Director (Housing and Community Safety) – Service provider with responsibility to deliver the strategy*

- *Another Deputy Director of the Chief Executive's choice*

17. Setting up a Joint Waste Procurement Project Board

The Council is currently seeking to enter into partnership with South Oxfordshire District Council (SODC), in order to create a joint waste collection contract. Following the experience gained from setting up the Ridgeway Shared Services Organisation it is proposed that a joint project board is established for waste collection. Under the Vale's Constitution it is not possible to form a Joint Committee that has Executive powers and allow Members other than those on the Executive to sit on this. On the basis that this is the single largest contract that the Councils will enter into, it is recommended that wider input from Council Members is required from the outset, involving an Executive Member, Liberal Democrat backbencher and Opposition Member (conditional upon SODC agreeing a similar 3-Member appointment).

Recommendation

That the Joint Waste Procurement Project Board includes:

- *the Executive Member with responsibility for the new Waste contract*
- *a non-Executive Member from the Liberal Democrat Group and*
- *a Member from the Conservative Group*

18. Exclusion of the Public, including the Press

The Chair to move that in accordance with Section 100A(4) of the Local Government Act 1972, the public, including the press, be excluded from the remainder of the meeting to prevent the disclosure to them of exempt information, as defined in Section 100(I) and Part 1 of Schedule 12A, as amended, to the Act when the following item is considered:

Item 19 **Minutes**

(Category 1 - Information relating to any individual.)

(Category 2 - Information which is likely to reveal the identity of any individual.)

(Category 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information.)

EXEMPT INFORMATION UNDER SECTION 100A(4) OF THE LOCAL GOVERNMENT ACT 1972

19. Minutes

To adopt and sign as a correct record the Exempt minutes of the meeting of the Executive held on 7 December 2007, (previously circulated).



OUR VISION AND AIMS

Our Vision is to build and safeguard a fair, open and compassionate community

The Vale of White Horse District Council aims to:

Strengthen local democracy and public involvement through access to information, consultation, and devolution of power so that everyone can take part in our community and contribute to the decisions which affect our lives

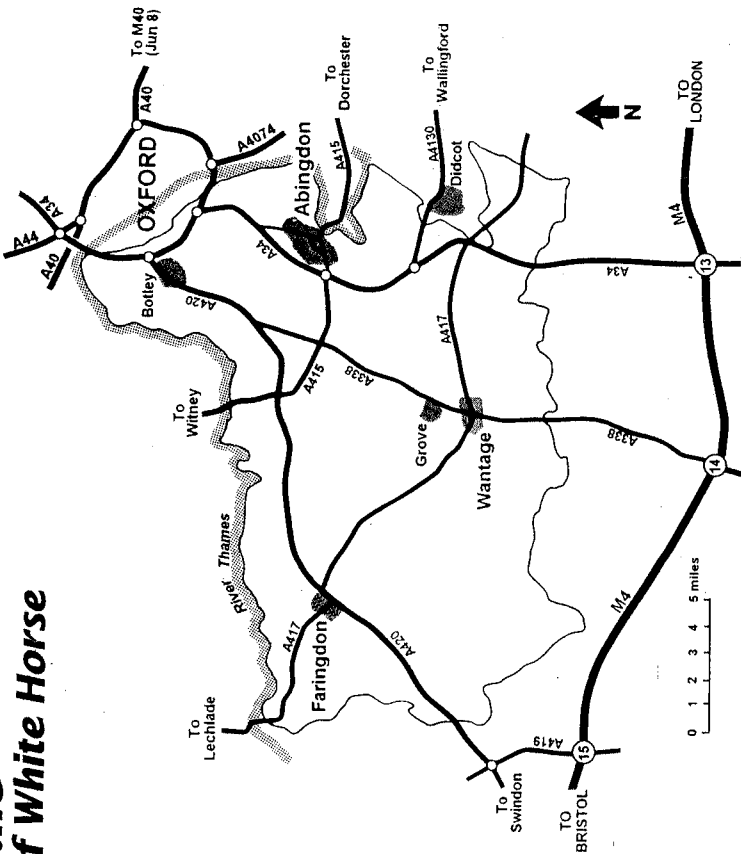
Create a safer community and improve the quality of life among Vale residents

Encourage a strong and sustainable economy which benefits all who live in, work in or visit the Vale

Help disadvantaged groups and individuals within the Vale to realise their full potential

Provide and support high quality public services which are effective, efficient and responsive to the needs of people within the Vale

Protect and improve our built and natural environment



Note for Executive

Virements received at 16 January 2008

Key to Type

- 1 Within a subjective within a cost centre
- 2 Within a Cost Centre but across subjective headings
- 3 Within the cost centres of a service area
- 4 Across service areas
- 5 Over £10,000

No.	Date	Account From	Cost Centre Code	Cost Centre Name	Account To	Cost Centre Code	Cost Centre Name	Virement Total £	Virement Percentage	Reason	Type	Authorised by Director/Deputy Director	Requires Executive Approval	
1	13/12/2007	1001	CN61	Corporate Postal Service	1001	LG21	Land Charges	2,000	2.7%	Return budget for Land Charges Admin post following amalgamation of Democratic and Corporate admin sections	4	Y	N	
2	13/12/2007	4000/4307	CN21	Faringdon Area Office	4000/4307	CN41	Abingdon Local Services Point	890	27.8%	Move equipment and stationery budgets from Faringdon Area Office to Abingdon LSP to allow for more efficient purchasing	3	Y	N	
3	17/12/2007	4000	CH11	Organisation Change	4003	CH11	Organisation Change	20,000	9.4%	Improved definition of expenditure - transfer of budget for purchase of equipment and fees & services to equipment maintenance	5	Y	Y	
3	17/12/2007	4400	CH11	Organisation Change	4003	CH11	Organisation Change	5,000			1	Y		
4	21/12/2007	1001	CN61	Corporate Postal Service	1100	CN41	Abingdon Local Services Point	6,140	6.6%	Move unspent salary budget from vacant post to cover agency staff in Local Services Point	3	Y	N	
5	03/01/2008	4000	CH11	Organisation Change	4512	CH11	Organisation Change	18,000	6.8%	Improved definition of expenditure - transfer of budget for purchase of equipment to software purchase/licences	5	Y	Y	
6	07/01/2008	1001	EP11	Environmental Health Admin	1100	EP11	Environmental Health Admin	8,690	7.2%	Move unspent salary budget from vacant post to cover agency staff	1	Y	N	
Total Virements								60,720						
Summary														
Total Type 1								13,690						
Total Type 2								-						
Total Type 3								7,030						
Total Type 4								2,000						
Total Type 5								38,000						
Total								60,720						

VALE OF WHITE HORSE DISTRICT COUNCIL

FORWARD PLAN

CONTAINING EXECUTIVE KEY DECISIONS TO BE TAKEN FROM 1 FEBRUARY 2008 - 31 MAY 2008

This Forward Plan sets out a schedule of Key Decisions likely to be taken over the four-month period shown above. It is a rolling plan, subject to change monthly. A Key Decision is a decision of the Executive which is likely to result in: the Council incurring significant expenditure or making significant savings; a high proportion of the community being affected; or an impact on two or more agendas or services. Executive decisions can be taken by the Executive as a whole, a committee of the Executive, an individual Member of the Executive, an Officer of the Council, an Area Committee, or through joint arrangements with other bodies or another Council.

Where the decision is to be taken by the Executive, this comprises the Leader of the Council, Councillor Jerry Patterson, and the following elected Members: Councillors Mary de Vere, Tony de Vere, Richard Farrell, Jenny Hannaby, Bob Johnston and Angela Lawrence.

Representations can be made on any of the following issues before a decision is taken. Representations must be made to the relevant contact officer shown below by 5pm on the working day preceding the date of the decision.

Decision	Key decision?	Decision maker	Date first published on Forward Plan	Consultees	Consultation method	Contact Officer	Documents used
Financial Monitoring	No	Executive 1 Feb 2008	This item appears on every Executive agenda	Executive Portfolio Holders	Consultation with budget holders	Steve Bishop, Strategic Director and Section 151 Officer Tel. (01235) 540332 steve.bishop@whitehorsedc.gov.uk	2006/07 Budget
Budget Proposals 2008/09	Yes	Executive 1 Feb 2008	February 2008	Councillor Tony de Vere	Consult Strategic Review Committee and Business Ratepayers	William Jacobs Tel. 01235 540455 E-mail: william.jacobs@ridgeway.ssp.gov.uk	None.

Decision	Key decision?	Decision maker	Date first published	Consultees	Consultation method	Contact	Documents used
Treasury Management and Investment Strategy	No	Executive 1 Feb 2008	February 2008	Councillor Tony de Vere	Not applicable	William Jacobs Tel. 01235 540455 E-mail: william.jacobs@ridgeway.ssp.gov.uk	None.
Local Development Framework: Revision of the Local Development Scheme	No	Executive 1 Feb 2008	February 2008	Statutory Consultees Strategic and Local Planning Advisory Group	Consultation through the Local Development Framework process	Rodger Hood Tel. 01235 540340 E-mail: rodger.hood@whitehor.sedc.gov.uk	Local Development Scheme
Commitment to Decriminalise and Parking Enforcement	No	Executive 1 Feb 2008	February 2008	Councillor Richard Farrell	Consult Executive Members	Rodger Hood Tel. 01235 540340 E-mail: rodger.hood@whitehor.sedc.gov.uk	None.
Review of National Non-Domestic Rates Discretionary Relief	No	Executive 1 Feb 2008	July 2007	Councillors Richard Farrell and Tony de Vere	Consult Executive Portfolio Holder then Executive to make recommendations for any policy changes to Council	Toby Warren Tel. 01235 547695 E-mail: toby.warren@whitehor.sedc.gov.uk	None.
Setting up a Joint Procurement Committee for Waste	No	Executive 1 Feb 2008	February 2008	Councillor Jenny Hannaby	Consult other partner Councils	Michael Mackay Tel. 01235 540337 E-mail: michael.mackay@whitehorsedc.gov.uk	None.

Decision	Key decision?	Decision maker	Date first published	Consultees	Consultation method	Contact	Documents used
Corporate Governance	No	Executive 4 Apr 2008	April 2008	Senior Management Team	Collation of monitoring data considered by Senior Management Team for exception reporting	Tim Sadler, Strategic Director Tel. 01235 540360 E-mail: tim.sadler@whitehorse.dc.gov.uk	None.
Review of Flooding in the Vale July 2007 - following publication of Environment Agency report	Yes	Executive 4 Apr 2008	October 2007	Flood Recovery Grant Advisory Group Councillor Jerry Patterson	Review to be undertaken following publication of the Environment Agency's forthcoming report.	Tim Sadler, Strategic Director Tel. 01235 540360 E-mail: tim.sadler@whitehorse.dc.gov.uk	Environment Agency's report
Review of Public Conveniences	No	Executive 4 Apr 2008	February 2008	Councillor Bob Johnston	Consult Budget Holders	Bill Farrar Tel. 01235 540356 E-mail: bill.farrar@whitehorsedc.gov.uk	None.

Handwritten signature and notes:
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 11:07

REPORT OF THE HEAD OF FINANCE
TO THE EXECUTIVE
1 FEBRUARY 2008

Treasury Management and Investment Strategy for 2008/09

1.0 Introduction and Report Summary

- 1.1 The Treasury Management Policy, agreed by Council December 2001 requires the approval of an annual Treasury Management Strategy for the next financial year. This is in line with the CIPFA Code of Practice on Treasury Management.
- 1.2 The Department for Communities and Local Government (DCLG) has issued guidance under Section 15 of the Local Government Act 2003 on Local Government cash investments which requires approval of an Annual Investment Strategy. The guidance acknowledges that it might be convenient to produce a single document that meets the requirements of the CIPFA code and the Secretary of State's guidance.
- 1.3 This report puts forward an Annual Strategy for this authority for 2008/09 which, as last year, complies with the CIPFA code and the DCLG guidance. This is largely unchanged from the existing strategy for 2007/08. This strategy restricts itself to non-property investments. For property investment, Members should refer to the Investment Policy last agreed by the Council on 24 March 2004
- 1.4 The Contact Officer for this report is Steve Lawrence, Principal Accountant (Technical), telephone (01235 540321), email steve.lawrence@whitehorsedc.gov.uk

2.0 Recommendations

- 2.1 *Members are asked to approve the Annual Treasury Management & Investment Strategy for 2008/09 (set out at Appendix A), and the limits and guidelines specified therein.*

3.0 Relationship with the Council's Vision, Strategies and Policies

This report supports the Council's vision, strands A and B. It complies with the Council's strategies for sound financial management and it complies with the Treasury Management Policy, approved by Council on 19 December 2001, and follows the procedure recommended in the revised CIPFA Treasury Management Code of Practice, January 2002.

4.0 Local Government Investments

- 4.1 Local Authorities' powers and practices for investing their surplus funds are contained in Part 1 of the *Local Government Act 2003*. The act allows the Secretary of State to issue guidance on investments and to specify other guidance which should be followed. Guidance was issued in March 2004 and specified that regard should also be had to the *Treasury Management Code of Practice* and *The Prudential Code for*

Capital Finance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

- 4.2 The general objective remains that local authorities should prudently invest surplus funds held. Priority should be given to security and liquidity but it is reasonable to seek the highest return consistent with those aims. The guidance specifically discourages the use of speculative investments such as equities. Borrowing to invest remains unlawful.
- 4.3 Somewhat confusingly the guidance introduces the concept of “specified” and “non-specified” cash investments. Specified investments are those offering high security, high liquidity and low risk. They should be in sterling and with a maturity of no more than 1 year. Investments made with the UK Government or a local authority are automatically included as are bodies with “a high credit rating”, the definition of which is left to the authority. Non-specified investments are those that don’t meet this description. The aim seems to be not to discourage authorities from using non-specified investments but to ensure that proper procedures are in place to assess any greater risk. These categories are considered separately in sections 4 and 5 of the Strategy.
- 4.4 The guidance also applies to investments made through external fund managers.

5.0 Treasury Management and Investment Strategy

- 5.1 The Treasury Management Policy requires an annual Treasury Management & Investment Strategy Statement. This sets borrowing limits, investment objectives, approved organisations for investment, guidelines and performance criteria for the in-house operation. Since there has been no significant change in the Council’s circumstances or the investment market the Strategy Statement for 2007/08 agreed in March 2007 is still suitable and has just been updated where necessary. Any additions are indicated. The proposed Strategy Statement for 2008/09 is set out at Appendix A.
- 5.2 Prudential indicators relating to capital expenditure, required by the Capital Finance Regulations issued under the 2003 Act, will be reported to the Council meeting on 27 February 2008 as part of the budget setting report..

STEVE LAWRENCE
PRINCIPAL ACCOUNTANT (TECHNICAL)

WILLIAM JACOBS
HEAD OF FINANCE

Background Papers:

Treasury Management in the Public Services – Code of Practice and Cross-sectoral Guidance notes. Published by CIPFA Jan 2002.

Guidance on Local Government Investments ODPM 12 March 2004

TREASURY MANGEMENT & INVESTMENT STRATEGY STATEMENT 2008-09**1.0 Investment Objectives**

1.1 The main objectives to be followed in 2008/09 are:

- to invest in instruments conducive to achieving optimum returns whilst ensuring the security of the principal invested.
- to ensure a balanced portfolio in terms of period and maturity date with specific regard to major cash inflows and outflows (e.g. precept payments and grant receipts);
- to have regard to protecting the Council's position against fluctuations in interest rates and enabling it to plan properly for future financial commitments;
- to maintain sufficient liquidity to allow for cash-flow variations arising from income receipts and expenditure commitments, and to take advantage of interest rate movements when favourable;
- to keep investment management expenses to a minimum whilst ensuring that the overall return to the Council is maximised.

1.2 Investment of the Council's funds will be in accordance with the Treasury Management Policy. The overriding factor will be the security of the principal invested. Investment returns are associated with risk and, therefore, the margin of interest attainable will generally be lower the more secure the investment.

2.0 Liquidity of Investments

2.1 This refers to how easily the investment can be converted into cash. In normal circumstances higher returns are achievable from investments with lower liquidity. The use of longer term instruments (greater than 1 year to maturity) will fall in the non-specified investment category. It is proposed that these will only be used for the Council's core funds and a maximum investment period of three years is proposed because this is consistent with the capital planning framework and forecasting interest rate movements beyond 18 months is difficult. The actual limits are included under non-specified investments below.

3.0 Approved Organisations for Investment

3.1 When assessing an organisation for investment purposes the Council will use Butlers creditworthiness advice for applying credit rating criteria. Butlers is a division of ICAP Securities plc and is the Council's appointed investment advisor. The Council receives updates from Butlers of changes to credit ratings as they occur. These updates will be incorporated into the Council's counterparty list on the same day. The criteria will be applied as follows:

<u>Banks</u>	the Council will use all banks with the following international credit ratings from Fitch (or equivalent from Moody or Standard & Poor):
	Short Term: F1
	Individual rating: C
	Long Term: A-
	Support rating: 3

Wholly Owned Subsidiaries: The Council will use these where the parent bank meets the rating requirement as above.

Building Societies the Council will use building societies which have ratings as for banks above. In addition, it will use unrated Societies with assets in excess of £500 million. (This makes up the top 30).

Money Market Funds Funds that have an AAA rating. (This is statutory requirement.)

UK Government: Including gilts (to be used by the external fund manager) and the Debt Management Office (responsible for lending to local authorities).

Supranational Bonds: The Council's external fund manager is allowed to invest in these instruments through their mandate.

Other Local Authorities

4.0 **Specified Investments**

4.1 These are sterling investments of not more than one-year maturity in a body with a high credit rating and not defined as capital expenditure (making an investment in a company.) This would include investments with The UK Government, a Money Market fund which is rated AAA by Fitch, Moody's or Standard & Poor's, a local authority or an institution with a short term credit rating of either F1 (*Fitch*), P-1 (*Moody's*) or A-1 (*Standard & Poor's*).

5.0 **Non-Specified Investments**

5.1 These are any other type of permitted investment (i.e. not defined as specified above). This would include any sterling investments (there is no wish to invest in other currencies) with:

Gilt edged securities (over one year). These are used by the Council's Fund Manager. The mandate allows maximum duration of any investment to be 15 years but the average of all investments should not exceed 5 years.

Supranational bonds (over one year) (these are basically gilts but issued by foreign governments) with a AAA rating.

An institution with a long term credit rating of AA- (*Fitch and Standard & Poor's*) or Aa3 (*Moody's*) for deposits with a maturity between 1 and 3 years.

Non-rated Building Societies with assets in excess of £1 billion (the top 21) limited to no longer than 9 months,

Non-rated Building Societies with assets in excess of £500 million (the next 9) limited to no longer than 6 months,

Unrated subsidiaries of an institution which meets the credit rating criteria outlined above limited to 6 months.

[This paragraph ADDED for 2008-09]

- 5.2 Upper limit for total funds held in specified investments at any time - £20 million
 Upper limit for total funds held in unspecified investments at any time - £20 million

6.0 Limits with any institution

- 6.1 A balanced portfolio should be maintained to ensure sufficient liquidity is available to allow for cash flow variations, and to protect the Council against fluctuations in interest rates. The following limits will be applied:

	Fitch	Moody's	Standard & Poor's	Money Limit	Time Limit
Upper Limit Category	F1+ / AA-	P-1 / Aa3	A-1+ / AA-	£5 m	3 years
Lower Limit Category	F1 / A-	P-1 / A3	A-1 / A-	£5 m	1 year
Building Society Limits 1	Assets in excess of £1bn			£3 m	9 months
Building Society Limits 2	Assets in excess of £500m			£3 m	6 months
Unrated Subsidiaries	-	-	-	£3 m	6 months
Other Institution Limits	-	-	-	£5 m	various

The Other Institution Limit will be for other local authorities, the DMADF (Debt Management Account Deposit Facility – lending to the Government), Money Market Funds and Gilt and Supranational investments. These are all considered high quality names – although not always rated – and therefore will have the same limit as the Upper Category.

- 6.2 In exceptional circumstances short term variations to these limits will be allowed, subject to the written authority of the Strategic Director.

7.0 Interest rate exposure - borrowing

- 7.1 The Council is required to determine the following limits for the next three financial years. The Prudential Code for Capital Finance stipulates that these are set at the same time as the Prudential Indicators for Capital Finance are considered. Those indicators are included in the Executive Budget Proposal in Appendix A(i) of that report (yellow pages) to be considered at the Council meeting on 27 February 2008. There is no intention to borrow except temporarily to cover cash shortages, which would be at fixed rates for very short periods.

	2008/09	2009/10	2010/11
Operational boundary for external debt	£2 million	£2 million	£2 million
Authorised limit for external debt	£5 million	£5 million	£5 million
limit for amounts at variable interest rates	nil	nil	nil
limit for debt maturity greater than 1 year	nil	nil	nil

[This paragraph ADDED for 2008-09]

8.0 **Interest rate exposure - lending**

- 8.1 The strategy allows investment with Money Market Funds. Currently one such fund is used for daily surpluses since it has instant access and a good rate of interest. The interest rate is revised every week to reflect the actual content of the whole fund so technically if we had money invested for more than a week it is at a variable interest rate. The guidelines say that there should be a limit on total lending. The guidelines also say there should be limits placed on investments with maturities beyond one year (this relates to fixed interest and period investments and includes sums held by the Council's Fund Manger).

	upper	lower
Limit on investments at variable interest rates	£5 million	nil

It is more sensible to show maturity limits as percentages of total investments.

	upper	lower
Limit on investment, final maturity up to 1 year	100%	50%
Limit on investment, final maturity 1 year to 2 yrs	30%	nil
Limit on investment, final maturity 2 yrs to 3 yrs	20%	nil

9.0 **Guidelines for In-house Investment**

- 9.1 The brokers listed below are currently authorised to arrange the Council's cash investments:
 Prebon Marshall Yamane (UK) Ltd
 Tradition UK Limited
 Intercapital Europe (Icap) (a division of ICAP Securities plc.)
- 9.2 New brokers can only be used after written consent from the Strategic Director & Chief Finance Officer.
- 9.3 Investments may only be made with Local Authorities and other organisations as authorised by the Bank of England under the Banking Act 1987, subject to fulfilling the criteria above and up to the limits above.
- 9.4 Authorised officers in the Finance Service Area have responsibility for the daily management of cash and the authority to agree investments for a period of up to three months within policy guidelines (the actual transaction must be authorised by one of the three bank signatories as with any payment).
- 9.5 Money invested for a period exceeding three months requires the prior written authorisation of the Principal Accountant (Technical).
- 9.6 A weekly report is produced to provide the Strategic Director & Chief Finance Officer with details of all investment activities.
- ## 10.0 **Performance Measures**
- 10.1 The Executive will receive regular reports on Treasury Management activities as detailed in the Treasury Management Policy.

10.2 The following key performance measures are recommended:

- in-house investment rates achieved compared to the LIBID 7 day rate;
- adherence to investment policy and strategy;
- full investment of daily balances;
- maintenance of a balanced portfolio;
- weekly reports produced (in-house) or monthly (externally managed funds).

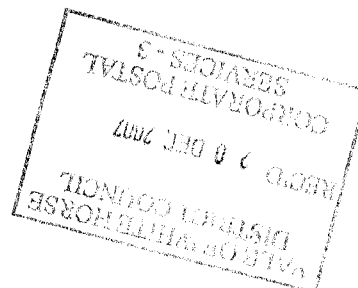
February 2008



Our Ref: BD/MJM

14 December 2007

Mr T Stock
Vale of White Horse District Council
The Abbey House
Abingdon
OX14 3JE



**THIS LETTER IS A HARD COPY OF AN E-MAIL
WHICH YOU WERE SENT LAST WEEK.**

Dear *Terry*

The attached agenda item on the Sub National Review was considered by the ACTVaR meeting on 7 December 2007. Members resolved that a Special Meeting of ACTVaR should be held in February 2008 (now confirmed for the morning of 22 February 2008 at South Oxfordshire District Council) to consider this matter but that I should immediately write to all ACTVaR Chief Executives as well as the Chief Executive of Milton Keynes Council enclosing the agenda report and inviting each council to consider their response to the Sub National Review including the suggestions raised in this report. The intention is that comments from each ACTVaR Council should be received by the end of January 2008 after which a meeting of the ACTVaR Steering Group will be held to consider these responses and prepare for the Special Meeting on 22 February 2008.

I would be most grateful if your Council could consider this report alongside your other discussions on the Sub National Review and let me have your Council's view on these and any other proposals no later than 28 January 2008. Please contact me if you require clarification on any of the points in this letter or the enclosed report.

ACTVaR would like to extend an invitation to all Council Leaders to attend this Special Meeting as well as the usual ACTVaR Representatives. I would be grateful if you could bring the contents of this letter to the attention of your Leader and nominated ACTVaR representatives.

Yours sincerely

Barry
Barry Deller
ACTVaR Director

REVIEW OF SUB-NATIONAL ECONOMIC DEVELOPMENT & REGENERATION (SNR)

This meeting of ACTVaR has the opportunity to comment on the implications of the publication in July 2007 of the Review of Sub-National Economic Development and Regeneration (SNR). The ACTVaR Steering Group considered this matter at its meeting on 7 November 2007 prior to the plenary meeting of the Regional Assembly at Winchester on 14 November 2007.

The main elements of the SNR, in summary are:-

- There will be a single integrated regional strategy (IRS), which will provide the strategic regional framework, combining what is currently covered by the regional economic, spatial and housing strategies. The RDA will become the single regional agency with executive responsibility for producing this strategy, working closely with local government and other partners. The strategy will need to be agreed with local government in the region.
- New scrutiny arrangements for RDAs will be put in place, relying on local government in the region.
- The new RDAs' role will be more strategic, with increased delegation of economic development delivery to local authorities.
- Regional assemblies in their current form will not continue beyond 2010.
- Regional Ministers were appointed as part of the 'Governance of Britain' announcement; Parliamentary regional select committees are proposed.

The Government is expected to publish consultation papers in December 2007 on implementing the SNR including the IRS and new economic development powers for local authorities. Government has indicated that it is for regions to respond to the SNR but that certain parameters are fixed:

- there will be a single regional strategy to be drawn up by the RDA working closely with local authorities and other stakeholders
- Regional Assemblies will cease to exist in their current form and function
- the current boundaries of the SE region are immutable
- local authorities will need to organise themselves to respond to the new economic development duty and impact of the SNR.

For ACTVaR the SNR will have significant implications from the end of 2008/09 as new organisational arrangements start to come into place to

implement the SNR from 2010. Regional consultation events will be held during 2008 and the Regional Assembly plenary meeting in March 2008 will be considering potential options for the way forward including how local government wishes to work together under the post-2010 arrangements. Party groups will be considering these matters in January 2008 so there is a relatively short period for ACTVaR and its Member authorities to suggest options that might be considered during 2008 for the implementation of SNR in the South East Region.

ACTVaR Party Groups are invited to consider these matters and to contribute their thinking on possible options to the December meeting of ACTVaR. Thereafter it will probably be appropriate to convene a special meeting of the ACTVaR Steering Group in the New Year to review the contributions received on 7 December 2007 and to consider the Government consultation document(s) expected to be published before Christmas. The Steering Group could determine if there is a single option to be promoted by ACTVaR in the forthcoming debate or whether a range of options should be advanced for wider discussion across the region.

The ACTVaR Steering Group has discussed the SNR and the report considered by the Assembly's Executive Committee and the following points were agreed:

1. that the case for great urgency has not been proven;
2. that sub-regional working has demonstrated great value and a sub-regional local government organisation must be retained;
3. that the model of a Leaders' Senate is not convincing; and
4. that cross-boundary working is vitally important for our sub-region and often extends across county boundaries; the county unit is by no means the only unit for cross-boundary working.

ACTVaR is invited to consider these principles and to affirm support for these points. In considering a new model(s) for regional governance in the South East this meeting of ACTVaR might like to debate the following propositions which if supported/amended can form the basis for ACTVaR inputting option(s) to the consultation process early in 2008.

Key Principles for Discussion

ACTVaR is an established sub-regional local government organisation working within a regional context. Our experience over 10 years in the Thames Valley demonstrate that there are many issues that are best managed at a sub-regional level where common factors are at play. At the heart of the SNR is the wish of Government to support sub-regions to promote economic growth. Government now recognises sub-regions as the most appropriate units for managing a range of issues including economic development and transport. In the light of our experience in the Thames Valley and the Government's new emphasis on sub-regions it is most appropriate that ACTVaR should be proposing a model of regional governance that is based on sub-regional building blocks but working within a

regional framework. The following thoughts are presented for Members as a contribution to preparing an option(s) for consideration by local government across the South East:

- The “sub-region” should be the primary building block for the purposes of local government grouping in the South East region
- Each sub-regional grouping should nominate to a “South East Local Government Regional Executive” which would have the responsibility for dealing with those matters reserved for region-wide determination
- The principle of subsidiarity should be adopted such that all matters should be dealt with at the sub-regional level except where statutory or other requirements determine that these are “regional” matters
- Each sub-regional local government grouping would have in membership the county, district and unitary authorities within its area but would also establish mechanisms for stakeholder engagement from all relevant sectors and organisations including town/parish councils
- The sub-region would be responsible for:
 - advising SEEDA in respect of the development of the Integrated Regional Strategy (IRS) regarding all sub-regional components of the economic development and spatial strategy elements including future housing numbers and infrastructure requirements;
 - prioritising investment requirements for the sub-region relating to infrastructure enhancement necessary to deliver the IRS.
- The SE Local Government Regional Executive would be responsible for:
 - scrutinising the impact of SEEDA in delivering the Single Regional Strategy and its functions as the Regional Development Agency;
 - acting as the local government mechanism for negotiation with SEEDA in the development of the IRS and for its sign-off prior to submission to Ministers;
 - acting as the collective voice of the region in making representation to Ministers regarding the IRS, the work of SEEDA and other region-wide concerns
 - undertaking all “region-wide” activities which are (statutorily) determined to be the responsibility of local government operating regionally.

If this model of empowered sub-regions federated for regional working is to be advanced two factors will need to be determined in due course:

1. Definition of Sub-Regions
2. Template for sub-regional places on the Regional Grouping.

The region will need to be divided into geographical units that collectively make-up the entirety of the South East region. Each council should be a full member of one sub-regional grouping but they should also be able to be an associate member of other groupings in which they have a legitimate interest. In this way cross-border issues can be addressed and allows authorities to belong to more than one grouping. This arrangement would match current arrangements, eg Basingstoke and Deane Borough Council belongs to the Hampshire and Isle of Wight LGA but is also an Associate Member of ACTVaR.

Each sub-region would nominate to the Regional Executive with the number of places for each sub-region determined by reference to a population-based template as a proportion of the total regional population. Sub-regional representatives on the regional body would be required to report back to their "home" sub-region.

REPORT OF THE STRATEGIC DIRECTOR (CHIEF FINANCE OFFICER)
TO THE EXECUTIVE
1 FEBRUARY 2008

Business Rates – Discretionary Rate Relief Criteria Review

1.0 Introduction & Report Summary

- 1.1 The purpose of this report is to agree a new simplified process for awarding National Non-Domestic Rate discretionary relief (business rates relief) that supports delivery of the Council's Corporate Plan and Community Strategy. The report will aim to establish a clear, transparent policy with an unambiguous link to the aims, objectives and priorities of the Council.
- 1.2 This report is a review of the criteria for granting discretionary rate relief from rates on any non-domestic property only and makes no proposals in relation to mandatory rate relief as the Council has no discretion in such matters; where it acts as the agent of central government.
- 1.3 The contact officer for this report is Paul Howden, Revenues & Benefits Client Manager (Tel: 01235 540385; email paul.howden@southoxon.gov.uk).

2.0 Recommendations

Members are requested to approve:

- 2.1 *The categories of organisation eligible for National Non-Domestic Rates discretionary rate relief from 1 April 2008 as set out in Appendix A of the report.*
- 2.2 *The level of award to different types of organisation from 1 April 2008 as set out in Appendix B of the this report, subject to any over-riding considerations that mitigate against making an award to a particular organisation.*
- 2.3 *A cap of £8,000 on the amount of discretionary rate relief and £4,000 on the amount of discretionary top-up rate relief that any organisation can receive in respect of a particular premises in any one financial year, unless it is in the financial interests of the Council to facilitate a larger amount being awarded. The cap limits are to be reviewed each financial year and will rise in line with inflation and the non-domestic rates multiplier.*
- 2.4 *The decision to award discretionary relief to be delegated to the Chief Finance Officer based on the categories agreed by the Executive.*
- 2.5 *A review of the eligibility of the organisations that are currently being granted rate relief.*

2.6 *The criteria for discretionary relief will to be reviewed at least every three years in line with the changing priorities of the Council commencing from year 2010 – 2011.*

3.0 Relationship with the Council’s Vision, Strategies and Policies

3.1 This report supports the Council’s Vision and Priorities. It also supports the Vale Community Strategy. It does not conflict with any Council strategy or any Council policy.

4.0 Background

4.1 The Local Government Finance Act 1988, as amended, sets out the general categories of organisations and properties that are eligible for relief. Certain types of organisations such as Charities, some sports clubs and certain rural businesses are entitled to mandatory relief from rates on any non-domestic property, providing certain criteria is met. Local councils have discretion to grant further top-up relief on the remaining bill. Councils also have discretion to grant relief on all or part of any rate bill for property that is occupied by certain non-profit making bodies and business in rural areas.

4.2 Table 1 below summarises the eligibility for relief, the type and amount of relief which is available and the financial implications. When the Council grants discretionary relief only a proportion of the relief is borne by the Council. A proportion of the cost is also borne by the national non-domestic rates pool which all rates collected nationally are paid into. Therefore, discretionary rate relief can be a cost effective means of providing support to charities, certain types of sports clubs and certain rural businesses.

Table 1

Property Occupied by	Type of Relief	Amount of Relief	Proportion offset against NNDR Pool	Proportion borne locally by taxpayers
<ul style="list-style-type: none"> • Registered Charity • Community Amateur Sports Club • Charities exempt from Registration 	Mandatory	80%	100%	-
	Discretionary	Up to 20%	25%	75%
Not established or conducted for profit e.g.. village hall	Discretionary	Up to 100%	75%	25%
Rural Rate Relief - Pub, Post Office etc	Mandatory	80%	100%	-
	Discretionary	Up to 20%	75%	25%
General Rural Business	Discretionary	Up to 100%	75%	25%
Hardship Relief	Discretionary	Up to 100%	75%	25%

- 4.3 The Council's existing criteria, used to determine whether or not an eligible ratepayer is granted discretionary relief and the different levels of relief that would be awarded was established by the Council's Executive on 21 October 2005.
- 4.4 In accordance with the 21 October 2005 report, discretionary relief was to be awarded to organisations as detailed in Appendix B column headed "21 October 2005 Report".
- 4.5 The existing criteria for awarding discretionary rate relief do not fully take account of the Council's objectives as set out in its Corporate Plan and Community Strategy. The new model ensures that the aims and objectives in these documents drive the choice of types of organisation to which the Council will offer discretionary rate relief.
- 4.6 From reviewing the national non-domestic rates' database it would appear that the Executive's decision has not yet been fully implemented and this has therefore led to inconsistency. Furthermore, the 21 October 2005 report did not consider the awarding of discretionary rate relief in relation to businesses in rural areas and as a result there is no consistency or clear policy.

5.0 Changes to Existing Criteria

The main proposed changes to the 2005 Executive decision are:

- 5.1 With regard to sports clubs, there would no longer be a differentiation between clubs that have licensed bars and those that do not. Instead, the aim would be to encourage sports clubs to register with HM Revenue and Customs as Community Amateur Sports Clubs (CASC's)
- 5.2 Since 1 April 2004, sports clubs that have registered with HM Revenue & Customs as CASC's are entitled to 80% mandatory rate relief. Councils can also "top-up" the relief at their discretion, effectively granting CASC's the same rights to rate relief as registered charities.
- 5.3 There are currently 22 sports clubs in the Vale that have been identified as having already registered as CASC's and as a result they are receiving mandatory rate relief rather than discretionary rate relief. This is at no cost to the Council as Mandatory relief is borne by the NNDR pool (Government) as shown in Table 1 above.
- 5.4 There is no legal obligation for sports clubs to register as CASC's and some of the clubs currently receiving discretionary rate relief may not be eligible to register E.g. where a club is semi – professional or where it limits access to participation due to excessive joining fees or required standards. However, some clubs may have not yet applied for registration and as a result continue to receive discretionary rate relief at a cost to the Council. The criteria for discretionary rate relief should be changed to make it clear that any club that has not applied for registration will normally have its discretionary rate relief reduced.
- 5.5 As an incentive to register, clubs that do not apply for CASC status would initially receive 50% discretionary rate relief which would then be reduced to 30% over a three year period. However at the same time the Council can encourage Clubs to apply for CASC status and provide the necessary assistance. If a sports club can prove they are

not eligible for CASC status they would continue to receive 50% discretionary relief. The potential savings if the remaining 31 sports clubs that have been identified were to register as CASC's in year one would be approximately £6,155.

- 5.6 A further incentive to encourage CASC registration would be the offer of 5% discretionary top-up rate relief in addition to the 80% mandatory relief. The cost of awarding the 22 clubs currently registered as CASC's with 5 % discretionary rate relief would be approximately £2,455.
- 5.7 The implementation of the above would ensure that the Council would not penalise clubs who have a bar and use any profits from it to further develop the club and its facilities. Sports clubs will receive more relief through CASC registration and if any club is primarily a social club with a bar then they will not be eligible for CASC status and will therefore normally receive less relief.
- 5.8 Businesses that occupy premises with a rateable value of less than £15,000 are entitled to Small Business Rate Relief (SBRR) (subject to certain conditions) which is awarded at no cost to the Council. At present there are around 17 clubs with rateable values under £15,000 that may be eligible for SBRR. It is therefore proposed that potentially eligible clubs be encouraged to complete an application for SBRR (as well as any other ratepayers in receipt of discretionary relief). As a further incentive it is proposed that potentially eligible clubs are advised that failure to apply for SBRR will result in any award of discretionary rate relief being based on what their rate liability would be if SBRR had been applied. This will again reduce the cost to the Council. In addition to this, organisations which currently receive rate relief may not feel inclined to appeal against their rateable value. Officers will therefore encourage these organisations to appeal, as any reduction in the rate liability will also reduce the Council's rate relief burden.
- 5.9 The non-domestic rating legislation makes provision for 50% mandatory rural rate relief for certain general stores, post offices, general food stores, petrol filling stations and public houses. Councils can also top-up the relief to 100% at their discretion. Furthermore, provision is made for the awarding of discretionary rural rate relief in respect of premises in rural areas that are used for purposes beneficial to the local community.
- 5.10 As mentioned in 4.5 above, the 21 October 2005 report did not consider rural rate relief and there is currently inconsistency in its application across the district. During a review of the national non-domestic rates database a possible 21 accounts were identified that had not applied for, but may be eligible for mandatory rural rate relief. Furthermore, whilst some rural post offices and general stores appear to have been awarded 50% discretionary rural top-up relief, others have not, without any clear reasoning behind the decision. It is therefore proposed that discretionary rural rate relief is awarded to all eligible rural post offices and general stores at 50% across the district. This would cost £6,700.
- 5.11 With regard to village halls, where the hall is run by a registered charity it is proposed that they will receive 20% discretionary top-up rate relief in addition to the 80% mandatory rate relief that they receive. The majority of village halls in the district (currently 53 out of 60) identified have already obtained charitable status and are

therefore receiving 100% relief (80% mandatory relief and 20% top-up). Where village halls are not run by a registered charity it is proposed that they will receive 90% discretionary rate relief which will be reduced to 70% over a three year period. The purpose of this is to encourage such organisations to obtain charitable status on the basis that they should be run for the benefit of the community and have open access, etc.

- 5.12 Organisations applying for discretionary rate relief will need to satisfy the Council that they support its aims and objectives and that they do not discriminate against any sectors of the community.
- 5.13 It is recommended that a cap is placed on the amount of discretionary rate relief that any organisation can receive in respect of an individual premises (unless it is in the overriding interests of the council taxpayers to award more). At present, there is no cap and the Council is potentially vulnerable if an organisation enlarges its premises and attracts a higher level of non-domestic rates as a result. Officers propose that the cap be set at £8,000 for discretionary rate relief (at a cost of £2,000 to the Council) and £4,000 for top-up relief to charities or CASC's (at a cost of £3,000 to the Council) The figures of £8,000 and £4,000 are not ones that have any scientific or empirical evidence to support them, but seem to be a reasonable amount and exceed the level of discretionary rate relief currently being paid out in respect of all premises under the current arrangements. There are no current cases where the level of relief exceeds £8,000 for discretionary rate relief and £4,000 for top-up relief. The limits should be reviewed on an annual basis and raised in line with inflation and the non-domestic rates multiplier.
- 5.14 In relation to the caps detailed above, it is proposed that a degree of flexibility is included where the financial interests of the Council could be helped. SOLL is the social enterprise which has a contract to manage several of the Council's leisure facilities. By awarding 20 % top-up relief to SOLL (which would amount to around £40,693 in relief) and negotiating a reduction in the contract fee by the amount, it would be possible to save the Council in the region of £10,173 per year (the cost to the Council in awarding the relief being approximately £30,520). SOLL has already agreed to this change in principle. The same option unfortunately cannot be applied to CLS (the social enterprise which manages the White Horse Leisure and Tennis Centre) because they do not receive a management fee.
- 5.15 It is proposed that the decision to award discretionary rate relief based on the categories agreed by the Executive be delegated to the Chief Finance Officer. This will ensure that there is no delay in informing applicants of the outcome of their application. Furthermore, the current process for awarding discretionary rate relief means that before a decision is made the applicant is required to submit detailed information, and then each application is assessed individually. This is time consuming for both officers and the organisations seeking discretionary relief and does not accord with the practice of the other district councils in Oxfordshire, all of which make category based awards.
- 5.16 The targeting of discretionary rate relief in line with the Council's objectives helps in promoting a strong and sustainable local economy and helps to provide access to a number of services and facilities. Other benefits include, encouraging participation and

local action and the protection and improvement of the local natural and rural environment.

- 5.17 The introduction of a new process based on categories of organisation that are eligible for discretionary rate relief, rather than officer assessment of individual applications, should ensure that the Council treats all organisations equally and fairly.
- 5.18 All of the potentially eligible categories of organisation have been compared against the Council's Community Strategy and Corporate Plan to determine which might be the priorities. Appendix A contains the results of that exercise and shows a number of categories where there is a clear direct link to one or more Community Strategy and/or Corporate Plan priorities. It also shows a group of categories that do not link in any way clearly to the Community Strategy and Corporate Plan as mentioned above.
- 5.19 By awarding discretionary rate relief the Council is providing significant financial support to the Vale's voluntary and community sector and some small but important rural businesses. It is important that residents of the Vale are aware of the support that is provided. Therefore, as well as the statutory information that is provided to ratepayers with their bills, the Council will produce publicity from time to time to ensure that the community is aware of how the Vale helps these sectors and, what help is available.

6.0 Implementing the Changes in Criteria

- 6.1 If the recommendations in this report are approved, officers will write to all organisations currently receiving discretionary rate relief, and those who are not currently receiving relief but will under the new arrangements, to inform them of the amount of relief they will receive in 2008-2009. Officers will also make a concerted effort to encourage the take up of CASC registration and entitlement to Small Business Rate Relief (SBRR).
- 6.2 When considering applications officers will carry out a basic assessment of each individual application to ensure that in offering discretionary rate relief the Council's corporate aims are being pursued. This will, however, be a scaled down version of what currently happens, as there will be a much clearer position regarding those organisations that are considered to be priority and those that are not.

7.0 Financial Implications

- 7.1 The full cost of mandatory rate relief awarded is borne by the national non-domestic rate pool. Table 1, mentioned under 4.2 above, shows the implications of awarding discretionary rate relief, the cost of which is shared between the Council and the national non-domestic rate pool.
- 7.2 The current budget for discretionary rate relief is £58,870. There are currently 151 organisations receiving discretionary rate relief with the average cost to the Council being £329 per award.
- 7.3 There are a number of uncertainties attached to the new arrangements that make it difficult to predict exact overall costs. Chief amongst these is the number of organisations that will successfully apply for charitable or CASC status. Suffice to say, the more that officers are able to encourage take up, the better it will be for the Council.

Officers have estimated that in 2008/2009 costs will not exceed the current 2007/2008 budget of £58,870 based on the proposals in this report. The annual cost should also reduce in the following two financial years when the incentives kick in. However, if relief was awarded to SOLL as explained in 5.15 above there would be an overall saving to the Council of £10,173. This makes good business sense.

- 7.4 There is always a risk that new eligible organisations may move into the district, or that existing eligible organisations may expand and increase their rate liability. However, these risks are of very low probability and, the caps on awards will protect the Council. In addition, this new mechanism of awarding relief will allow the Council to review the awards it makes on an annual basis taking into account budgetary constraints.

8.0 Legal Implications

- 8.1 Section 47 of the Local Government Finance Act 1988 gives councils the discretion to decide on the amount of relief they give and the rules they use to determine that amount. This report proposes the adoption of guidelines which the Council will take into account when exercising that discretion. The guidelines reflect how the Council would normally approach a particular case. It would not be lawful to adopt strict rules. The proposals comply with the law and reflect government guidance, allowing each case to be treated on its merits.

- 8.2 The Local Government Finance Act 1988 requires that recipients of discretionary rates relief are given notice of a full financial year of the intention to change the relief granted. As the Council notified recipients during 2005/06 that their awards for 2006/07 maybe varied from 1 April 2008, it has met this statutory requirement. Ongoing, the Council will continue to make annual awards and notify recipients accordingly.

9.0 Conclusion

- 9.1 The proposals set out in this report will provide a simple, transparent process that aligns awards of discretionary rate relief with the Council's Community Strategy and Corporate Plan. They provide incentives for some organisations to achieve CASC or charity status, thereby shifting the majority of the burden of relief from the local council taxpayers to the national exchequer. They propose standardising the discretionary rate relief for sports organisations that are unable to achieve CASC status at 50% and non-charitable village hall organisations at 70%. Furthermore, they introduce a policy for discretionary rural rate relief to achieve consistency and introduces financial flexibility for the Council. This review will help to ensure that a limited budget is effective in supporting the Council's vision, aims and priorities.

PAUL HOWDEN
REVENUE & BENEFITS CLIENT MANAGER

STEVE BISHOP
STRATEGIC DIRECTOR (CHIEF FINANCE OFFICER)

Background Papers: None

Discretionary relief categories and links to the Corporate Plan and Community Strategy

Type of Organisation	Corporate Plan	Community Strategy	Description
<i>Categories supported due to a specific link to the Corporate Plan and Community Strategy</i>			
Sports Clubs/Recreational Organisations		CS9	Maximise opportunities for older people to exercise
			Increase use of local facilities
Youth Organisations	CP04		Help disadvantaged groups and individuals within the Vale to realize their full potential
Village/Community Halls/Community Centres		CS5	Foster a spirit of community by developing infrastructure and breaking down barriers between different groups
			Encourage local issues groups
		CS9	Increase support for older people to avoid isolation
			Maximise opportunities for older people to exercise
Rural Post Offices/General Stores		CS5	Support for economic vitality across all sectors including small rural businesses
			CP03
Pre-Schools		CS8	Support parents and guardians
		CS9	Greater support for young parents
Community Care Organisations		CS5	Foster a spirit of community by developing infrastructure and breaking down barriers between different groups
			CS9
		CP04	Help disadvantage groups and individuals within the Vale to realise their full potential
Advice Organisations		CS9	Increase support for older people to avoid isolation
			Greater Support for young parents
		CS5	Promote and support volunteering
Art Charities – Performance, Teaching & Museums		CS3	Expanded range of facilities/affordable venues
		CS5	Support for economic vitality across all sectors including small rural businesses
		CP03	Encourage a strong and sustainable economy which benefits all who live in, work in or visit the Vale
	<i>Categories with no direct link and, therefore, not supported</i>		
Charity Shops	NONE	NONE	
Church Aided Schools	NONE	NONE	
Public Schools	NONE	NONE	
Registered Social Landlords (administrative premises)	NONE	NONE	
Organisations not Supporting the Aims and Objectives i.e. Religious Organisations	NONE	NONE	
Schools/Educational	NONE	NONE	
National Charities	NONE	NONE	
Art Charities not Performance and Teaching related	NONE	NONE	
Rural Public Houses & Petrol Filling Stations	NONE	NONE	
General Rural Businesses	NONE	NONE	
Conservation/Environmental Charities	NONE	NONE	

Guidelines for Discretionary Rate Relief Award Levels

Relief Category	21 October 2005 Report		Proposed Relief Levels	
Sports Clubs Non CASC	Discretionary With Bar Discretionary No Bar	25% 50%	Discretionary Year 1 Discretionary Year 2 Discretionary Year 3	50% 40% 30%
Community Amateur Sports Clubs (CASC)	Mandatory Only	80%	Mandatory Discretionary	80% 5%
Rural Relief	* Not Included		Mandatory	50%
Rural Shop	Mandatory	50%	<u>and</u> Post Office -Discretionary	50%
Rural Food Shop			Rural Shop -Discretionary	50%
Rural Public House			Rural Food Shop - Discretionary	0%
Rural Petrol Filling Station			Pub -Discretionary	0%
Other Rural Businesses			Petrol Filling Station -Discretionary	0%
Schools	Mandatory Only	80%	Mandatory Only	80%
Charity Shops	Mandatory Only	80%	Mandatory Only	80%
National Charities	Mandatory Only	80%	Mandatory Only	80%
Housing Associations	Mandatory Only	80%	Mandatory Only	80%
Playgroups	Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%	Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%
Village/ Community Halls/ Community Centres	Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%	Mandatory Top-up <u>or</u> Discretionary Year 1 Discretionary Year 2 Discretionary Year 3	80% 20% 90% 80% 70%
Citizens Advice Bureaux	Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%	Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%
Scouts & Guides, Youth Clubs Renamed Youth	Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%	Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%
Serving/Benefiting the Local Community Renamed Community Care	Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%	Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%
Art Centres & Musical Organisations Renamed and split into three	Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%	<u>Arts - Performance, Teaching Museums</u> Mandatory Top-up <u>or</u> Discretionary	80% 20% 100%
Arts - Performance, Teaching Museums Arts - General i.e. not performance or teaching			<u>Arts - General</u> Mandatory Only	80%
New Category Charities Not Supporting Aims i.e. Religious Organisations	* Not Included		Mandatory Only	80%
New Category Environmental Charities	* Not Included		Mandatory Only	80%

* These categories were not included in the scope of the 21 October 2005 report

** Discretionary awards are made subject to funding available.



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Tugwell Field

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