

Section 2

Budget Strategy and Capital Programme

Budget Strategy and Capital Programme

1. Section 2 of the report sets out the financial plans, strategies and policies that the Council is required to approve as part of the budget setting process. The content of this section is as follows:

Section	Title
2.1	Financial Strategy 2014/15
2.2	Medium term financial plan (MTFP) 2014/15 – 2017/18
2.3	Variations to the MTFP
	2.3.1 Changes to the budget proposals since 28 January 2014
2.4	Revenue budget booklet 2014/15
2.5	Council tax and precepts 2014/15
2.6	Treasury management strategy statement and annual investment strategy for 2014/15 (including prudential indicators and minimum revenue provision policy statement)
2.7	Balances and reserves
	2.7.1 2014/15 risk assessment for level of balances
	2.7.2 Summary of balances and reserves
2.8	Dedicated Schools Grant provisional allocation 2014/15
2.9	Virement rules for 2014/15
2.10	Asset management plans
	2.10.1 Asset management plan (property)
	2.10.2 Transport asset management plan
2.11	Capital programme 2013/14 – 2017/18

Financial Strategy 2014/15 – 2017/18

1. Introduction

The Financial Strategy sets out how the Council intends to finance its services and priorities and the principles upon which the medium term financial plan and the capital programme are based.

This is the third major revision of the Financial Strategy first approved by the County Council in October 2002 and coincides with the start of the new administration. It incorporates the Capital Strategy, previously treated as a separate document.

2. Corporate Plan

The service & resource planning process ensures the medium term financial plan (MTFP), capital programme and directorate business strategies reflect the Council's objectives and priorities set out in the corporate plan.

The corporate plan is revised every year and the current version was agreed by Council in February 2013. It outlines our overall goal of achieving a 'Thriving Oxfordshire' and sets out how we are working towards that goal. The latest update of the Corporate Plan will be presented to Council for approval in April 2014.

3. Financial Planning

The four-year medium term financial plan aligns available revenue funding with the delivery of services through the service & resource planning process. Our financial planning reflects:

- The reducing level of financial support from Government and consequential revenue savings required over the medium term
- The allocation of resources to meet statutory service requirements and key strategic priorities
- The use of one-off income to meet one-off pressures or priorities, or to help address an adverse cash flow position in the MTFP (where planned pressures exceed planned savings in the short-term)
- Our commitment to council tax payers
- Our on-going commitment to achieve efficiencies to ensure improved value for money

4. Use of grant funding

- The use of general grant funding for both revenue and capital will be maximised.
- Where grant bids are required, these need to be linked to the Council's objectives.
- Exit strategies are required for grant bids and time-limited grants.

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- Directorates will be required to meet any reductions in ring-fenced grant funding, through cessation of projects/services or additional savings.

5. Balance sheet management

The Council actively manages its debtors and creditors position to reduce the demand for working capital using the following targets:

- Debtors – we will clear 97% of non-care debtors and unsecured care debtors within 90 days. Days revenue outstanding for non-care debts will be kept to 33 days or below, with a target of 62 days for care debts.
- Creditors – we will pay 97.5% of all undisputed invoices within their normal payment terms. The Council's standard payment terms are 14 days for small and medium size enterprises (SMEs), otherwise 28 days.

6. Balances and Reserves

- Balances will be maintained at a level commensurate with identified risks, based on an annual risk assessment, subject to a minimum of 2.5% of gross expenditure (excluding schools). The risks reflect unforeseen overspendings, unexpected events and emergencies such as severe weather, potential liabilities and uncertainties over the future level of funding.
- Any income which is fortuitous to the Council will be used to address an adverse cash flow position in the MTFP or otherwise be added to balances.
- Revenue reserves will be held for specified purposes only and reviewed on an annual basis.
- New revenue reserves require approval by the Cabinet.

7. Capital Strategy

The capital strategy provides a framework for the development of the capital programme and ensures that the use of limited capital resources accords with the Council's objectives and priorities as set out in the Corporate Plan. The latter is achieved by having asset management plans for the two main areas of asset holding:

- The Asset Management Plan sets out the future direction for managing the Council's property assets and provides a strategic approach to securing operational and financial benefits of the property estate. It reflects the changing needs of the property portfolio as the Council moves from being a service provider to a commissioner of services.
- The Transport Asset Management Plan sets out the prioritisation for investment in highway infrastructure including roads, footways, bridges, street lighting and drainage, based on an assessment of need, and incorporates the Local Transport Plan.

The Council's limited capital resources are managed effectively by:

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- Allocating capital resources in line with corporate objectives and priorities and considering what outcomes can be achieved by a particular project and how effectively it uses corporate capital resources.
- Using capital resources prudently and flexibly in line with the agreed capital funding strategies to ensure their affordability, longevity and sustainability.
- Providing contingencies across the capital programme to manage the resources pressure arising from housing growth and uncertainties related to on-going service transformations.

Our principles for prioritising capital investment are to:

- comply with our statutory duties;
- improve the efficient and effective delivery of our services; and
- Promote economic growth.

This gives the following **capital investment priorities**:

Priority 1: projects which enable compliance with our legal/ statutory duties including projects which address any infrastructure deficits related to statutory compliance.

Priority 2: projects which maximise leverage from external partnerships and bodies (e.g. Local Enterprise Partnership (LEP)) in order to deliver agreed infrastructure priorities (e.g. SPIP).

Priority 3: projects where a major proportion is funded from developer contributions, Community Infrastructure Levy, grant or revenue contributions.

Priority 4: projects that facilitate economic development and housing growth but require the majority of funding to be met from the Council.

Priority 5: projects that address cross-cutting issues facilitate joint-working with partners or generate new/ additional income.

Priority 6: other projects.

Invest to save schemes which generate sufficient revenue savings to cover the cost of capital within at least 10 years, or are self-financed through prudential borrowing will be considered on a case by case basis alongside other bids which are subject to prioritisation.

Schemes below a certain financial threshold value will be assessed as part of an overall programme rather than individually.

Capital resource allocations are considered corporately on the following basis:

- Central government capital allocations and grants issued as “not ring-fenced” will be allocated in line with the Council’s priorities based on this capital strategy and the underpinning asset management plans. Ring-fenced or earmarked funding received from central government will be used for the purposes for which it is issued in line with grant/allocation conditions.

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- Capital receipts will be treated as a corporate resource and not ring-fenced to the originating service. The Council seeks to maximise capital receipts from the disposal of surplus land and buildings, unless another option gives greater overall benefit.
- Prudential borrowing will be used to fund invest-to-save schemes, where the cost of borrowing is met from future revenue savings by services; or capital investment where the Council has a significant unmet capital need, in which case the cost of borrowing is met corporately. The application of prudential borrowing must be in line with the requirements of the Prudential Code.
- The Council will try wherever possible to influence investment through the targeted use of its limited capital resources to lever in external funding and project specific grants where these meet the Council's priorities and objectives. Any external resources, once secured, will be used for the purposes for which they are issued as per the guidance and conditions determined by funding providers. The Council will evaluate long-term implications of accepting any external funding provision, in particular any impact on the revenue budget and such projects only proceed if they are affordable and demonstrate value for money. This includes working within the broader context (such as the LEP) to align available funding streams.
- The Council will be proactive in ensuring, as far as possible, that all additional capital investment needs arising from new developments are funded from developer contributions, however it is recognised that this is unlikely to meet the scale of infrastructure investment provision needed to respond to the identified level of growth.
- The Community Infrastructure Levy (CIL) comes into full operation in April 2014. This levy based mechanism is a contribution from all new development towards the cost of infrastructure. Developer contributions will still apply in site specific infrastructure required to mitigate the impact of a specific development. As the Charging Authorities will be the District Councils in Oxfordshire, the County Council will need to seek an agreement with each Charging Authority the contribution from CIL towards the cost of services and infrastructure which it provides.
- The Council will use the Rolling Fund to forward-fund major infrastructure schemes where infrastructure is needed to support the planned development. The cost of infrastructure will then be recovered from public and private sector funding streams as they come forward. The priorities under this fund will be agreed by the Cabinet.
- The Council will consider alternative funding models (such as Public Private Partnerships, Private Finance Initiative, Local Asset Backed Vehicles, Tax Increment Financing and Local Authority Bonds) to address potential future funding requirements, subject to full evaluation of requirements.

In financing the capital programme the first calls on capital resources will be external funding (including S106). This is followed by grants & contributions,

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supported borrowing and capital receipts and reserves. The final calls, where necessary, will be on prudential borrowing.

In order to respond effectively to unforeseen capital pressures and to accommodate possible changes in the capital resources position, a 3% **contingency** is built into capital programme planning assumptions. This provision and other capital programme contingencies are managed corporately and reviewed on a regular basis based on the risks associated with the overall programme.

8. **Managing our Resources Effectively**

- Financial management roles and responsibilities are transparent and embedded across Directorates.
- Financial literacy is actively promoted throughout the organisation.
- Appropriate systems and processes are in place to ensure effective in-year financial monitoring of revenue and capital and delivery of business strategies.
- Effective financial controls are in place in all areas of financial management, risk management and asset control.
- Financial Procedure Rules, Contract Procedure Rules and Financial Regulations are regularly reviewed and updated, providing a sound basis for financial governance.

9. **Arrangements for carrying forward revenue budget under/overspends**

- Revenue overspends will be the first call against any underspends within a directorate. Where overspends cannot be offset by underspends, they will be carried forward into the following year and a clear plan for their recovery will be required.
- Revenue underspends not needed to offset overspends will be placed in reserves to support the MTFP.
- The Cabinet may agree to the carry forward of a revenue underspend for a specific purpose on an exceptional basis.

10. **Related Strategies**

The Financial Strategy is underpinned by more detailed strategies for particular areas, including the Treasury Management Strategy, the Annual Investment Strategy and the Procurement Strategy.

- The Treasury Management Strategy sets out the Council's strategy for borrowing to ensure its capital investment plans are affordable, prudent and sustainable.
- The Annual Investment Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

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- The Procurement Strategy sets out how we achieve value for money and efficiencies in our procurement of goods and services, supplier relationship management and contract management.

Medium Term Financial Plan 2014/15 - 2017/18

Summary

	INDICATIVE POSITION											
	2014/15			2015/16			2016/17			2017/18		
	Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Directorate Budgets												
Children, Education & Families	105,201	-2,583	102,618	102,618	-994	101,624	101,624	-2,270	99,354	99,354	-3,182	96,172
Social & Community Services	206,916	7,807	214,724	214,724	-11,649	203,075	203,075	-685	202,390	202,390	-2,006	200,384
Environment & Economy	79,267	2,264	81,532	81,532	-9,695	71,837	71,837	-3,154	68,683	68,683	-7,242	61,441
Chief Executive's Office	20,562	186	20,748	20,748	-243	20,505	20,505	-394	20,111	20,111	-130	19,981
Public Health								-1,250	-1,250	-1,250	-1,250	-2,500
Inflation and Other Adjustments ⁽¹⁾					4,750	4,750	4,750	10,800	15,550	15,550	7,400	22,950
Directorate Budgets	411,947	7,675	419,621	419,621	-17,831	401,790	401,790	3,047	404,837	404,837	-6,410	398,427
Strategic Measures												
Capital Financing												
Principal	16,816	207	17,023	17,023	-24	16,999	16,999	-319	16,680	16,680		16,680
Interest	18,455	-225	18,231	18,231	-405	17,826	17,826	-250	17,576	17,576		17,576
Interest on Balances	-4,444	-104	-4,548	-4,548	-529	-5,077	-5,077	-354	-5,431	-5,431		-5,431
Contingency	2,308	1,168	3,476	3,476		3,476	3,476	-774	2,702	2,702	6	2,708
Pensions - Past Service Deficit Funding	1,500	-670	830	830		830	830		830	830		830
Total Strategic Measures	34,635	377	35,012	35,012	-957	34,055	34,055	-1,697	32,357	32,357	6	32,363
Contributions to/from reserves												
General Balances	3,000		3,000	3,000	-1,000	2,000	2,000		2,000	2,000		2,000
Prudential Borrowing Costs	950		950	950		950	950		950	950		950
Capital Rolling Fund Reserve	491		491	491		491	491		491	491	-491	
Budget Reserve	82	-14,042	-13,960	-13,960	4,410	-9,550	-9,550	625	-8,925	-8,925	8,925	-
Budget Reserve - 2009/10 Budget	-3,341	3,341										
Total Contributions to/from reserves	1,182	-10,701	-9,519	-9,519	3,410	-6,109	-6,109	625	-5,484	-5,484	8,434	2,950
Indicative Balance												
Net Operating Budget	447,764	-2,649	445,115	445,115	-15,379	429,736	429,736	1,975	431,711	431,711	2,030	433,741

⁽¹⁾ Adjustment for inflation and other items that have not yet been allocated by Directorate including NI changes in 2016/17.

Medium Term Financial Plan 2014/15 - 2017/18**Financing**

	INDICATIVE POSITION											
	2014/15			2015/16			2016/17			2017/18		
	Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget	Proposed Base Budget	Proposed Allocation	Proposed Budget
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Net Operating Budget	447,764	-2,649	445,115	445,115	-15,379	429,736	429,736	1,975	431,711	431,711	2,030	433,741
Funding												
Un-Ringfenced Specific Grants	-17,083	2,251	-14,832	-14,832	1,835	-12,997	-12,997	-600	-13,597	-13,597	491	-13,106
Government Grant												
Revenue Support Grant	-94,487	13,864	-80,623	-80,623	18,877	-61,747	-61,747	11,469	-50,278	-50,278	10,792	-39,486
Business Rates Top-up	-35,694	-695	-36,390	-36,390	-1,004	-37,394	-37,394	-1,159	-38,553	-38,553	-1,195	-39,748
Total Government Grant	-130,181	13,168	-117,013	-117,013	17,872	-99,141	-99,141	10,310	-88,831	-88,831	9,596	-79,235
Business Rates from District Councils	-27,287	-1,546	-28,833	-28,833	-1,379	-30,212	-30,212	-918	-31,130	-31,130	-946	-32,076
Business Rate Collection Fund Deficit	0	226	226	226	-226				0	0		0
Council Tax Surpluses	-4,763	-2,165	-6,929	-6,929	4,929	-2,000	-2,000	0	-2,000	-2,000	0	-2,000
COUNCIL TAX REQUIREMENT	268,450	9,284	277,734	277,734	7,652	285,386	285,386	10,767	296,153	296,153	11,171	307,324
Council Tax Calculation												
Council Tax Base			229,834			231,558			233,294			235,044
Council Tax (Band D equivalent)			£1,208.41			£1,232.46			£1,269.44			£1,307.52
Increase in Council Tax (precept)			3.5%			2.8%			3.8%			3.8%
Increase in Band D Council Tax			1.99%			1.99%			3.00%			3.00%

Summary of Variations to the 2013/14 - 2016/17 MTFP

New Pressures

Directorates	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Children, Education & Families	350	0	420	238	1,008
Adult Social Care	10,400	-2,000	3,900	3,400	15,700
Fire & Rescue and Community Safety	732	50	700	50	1,532
Environment & Economy	4,205	523	1,211	-1,106	4,833
Chief Executive's Office	435	0	0	0	435
Public Health	0	0	0	0	0
Corporate	6,106	12,917	6,586	15,443	41,052
Total new pressures	22,228	11,490	12,817	18,025	64,560

New Savings

Directorates	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Children, Education & Families	196	-994	-2,690	-3,420	-6,908
Adult Social Care	-2,500	-10,740	-2,800	-5,000	-21,040
Fire & Rescue and Community Safety	-746	-409	-535	-456	-2,146
Environment & Economy	-1,412	-5,132	-2,390	-6,136	-15,070
Chief Executive's Office	-928	-143	-294	-130	-1,495
Public Health	0	0	-1,250	-1,250	-2,500
Corporate	-7,438	-1,417	-3,323	-3,223	-15,401
Total new savings	-12,828	-18,835	-13,282	-19,615	-64,560

Net shortfall(+)/surplus(-)	9,400	-7,345	-465	-1,590	0
Cumulative shortfall(+)/surplus(-)	9,400	2,055	1,590	0	
Contribution to(+)/from(-) Budget Reserve	-9,400	-2,055	-1,590	0	
Net position	0	0	0	0	

Corporate

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
	NP	Pressure arising from reducing Council Tax increase in MTFP to 1.99% in 2014/15 and 2015/16, 3% in 2016/17 and 2017/18 (£14.9m), offset by an increase in the Council Tax Base (-£2.5m)	-924	4,881	2,336	6,131	12,424
	NP	Estimated reduction in Revenue Support Grant	1,315	6,571	750	1,971	10,607
	NP	Top-up compensation grant for cap on business rates multiplier	-386				-386
	NP	Estimated specific grant reductions/top-slicing	4,500	1,465			5,965
	NP	Ending of National Insurance rebate leading to increased employer costs			3,500		3,500
	NP	Replace short-term funding in current MTFP				7,335	7,335
	NP	Increase budget to meet Flood Defence Levy 2013/14 shortfall	53				53
	NP	Council Tax Support Scheme changes - contribution to District Council Hardship Fund and increased collection costs	68				68
	NP	Increase in insurance premiums	209				209
	NP	Provide contingency for potential pressures	827			6	833
	NP	Inclusion of over-time in pensionable pay	44				44
	NP	One-off investment for flooding (scheme to be developed) and on-going winter contingency	400				400
	NS	Reduce pay inflation in 2015/16 to 1% in line with Spending Round announcement to cap public sector pay rises		-1,000			-1,000
	NS	Reduce allowance for non-pay inflation and contract inflation	-159	-4,000	-3,300	-3,200	-10,659
	NS	Council Tax Surpluses over and above £2m included in MTFP	-4,928	4,928			0
	NS	Estimated additional business rates from Energy from Waste plant (energy related element)	-400	-600			-1,000
	NS	Increase in estimated Business Rates from growth	-308	-19	-23	-23	-373
	NS	Deficit on Business Rates Collection Fund	226	-226			0
	NS	Compensation grant for cap on business rates multiplier and other reliefs	-1,165				-1,165
	NS	Income Generation Target		-500			-500
	NS	Technical adjustment – grant reduction in medium term plan	-617				-617
	NS	Additional New Homes Bonus	-87				-87
		Total Corporate	-1,332	11,500	3,263	12,220	25,651

Children, Education & Families

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<u>Education & Early Intervention</u>					
		Early Intervention					
15CEF1	NS	Rephasing of savings CEF10c and 14CEF4 relating to Children's Centres in current MTFP	499	-499			0
15CEF2	NS	Development of an integrated adolescent service and early childhood service				-3,000	-3,000
		Subtotal Early Intervention	499	-499	0	-3,000	-3,000
		Education					
15CEF3	NS	Make Music Service self financing by increasing income and reducing free tuition.	-40	-70	-70	-182	-362
15CEF4	NS	Identify savings in Foundation Learning service which eliminate the need for non-DSG funding.	-163				-163
15CEF5	NS	Reduce Attendance service from Sept 2014	-100	-100			-200
15CEF6	NS	Further reduce staffing of School Improvement services		-75			-75
		Subtotal Education	-303	-245	-70	-182	-800
		Total Education & Early Intervention	196	-744	-70	-3,182	-3,800
		<u>Children's Social Care</u>					
		Social Care					
15CEF7	NS	Savings anticipated by further increasing close co-operation with partner agencies such as the police, the health service, schools and others		-250			-250
15CEF8	NP	Children's Homes - borrowing costs to fund 4 new homes in Oxfordshire			420	238	658
15CEF9	NS	Children's Homes Savings - from building Children's Homes in the county which reduces the number of high cost out of county placements			-420	-238	-658
15CEF13	NP	Additional funding for staffing for the Multi Agency Safeguarding Hub	350				350
		Subtotal Social Care	350	-250	0	0	100
		Total Children's Social Care	350	-250	0	0	100

NS - New Saving

NP - New Pressure

Children, Education & Families

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<u>Children, Education & Families Cross Directorate</u>					
15CEF10	NS	Reduce administration support in line with reductions in directorate services, seek efficiency improvements.			-500		-500
15CEF11	NS	Develop more integrated management across SEN & Disability. Challenge costs of 16+ SEN responsibilities transferred into OCC from Education Funding Agency, obtaining savings within DSG funded SEN services that enable a larger DSG contribution to the educational cost of placements.			-1,200		-1,200
15CEF12	NS	Reduce support services from joint commissioning team in line with other service reductions. Reduce non-statutory public engagement activities.			-500		-500
		Total Children, Education & Families Cross Directorate	0	0	-2,200	0	-2,200
		Total Children, Education & Families	546	-994	-2,270	-3,182	-5,900

NS - New Saving

NP - New Pressure

Adult Social Care

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		Older People					
15SCS1	NS	Resources from the Better Care Fund to protect adult social care services	-2,000	-8,000			-10,000
15SCS2	NS	Working closely with providers to generate efficiencies in contracted services		-400	-400	-400	-1,200
15SCS3	NS	Supporting our staff to work more efficiently, reducing bureaucracy and streamlining process – establishing efficiency savings in preparation for increased demand generated by funding reform, which we expect will be funded by central government			-1,500		-1,500
15SCS4	NS	Seeking alternatives to the current brokerage service		-600			-600
15SCS5	NS	Stop subsidising shopping and meals service. Continue to provide a subsidised laundry service for people who suffer from incontinence.		-140			-140
15SCS6	NS	Continuing to fund information and advice for people who may need or are eligible for social services, but reducing support for mainstream welfare rights advice and advocacy. A review of information and advice services will be undertaken.		-100			-100
15SCS7	NS	Continued work to identify this saving over the four-year period				-2,800	-2,800
15SCS8	NP	Investment to help meet increased demand for social care (also see additional demography under 'All Client Groups')	10,000	-2,400	-1,100	-1,600	4,900
15SCS44	NP	Create a more personalised approach to home support which will include removing short visits for personal care for older people	400	400			800
		Subtotal Older People	8,400	-11,240	-3,000	-4,800	-10,640
		Learning Disabilities					
15SCS9	NS	Close working with learning disability service users to find new ways of working whilst ensuring assessed needs continue to be met		-500	-400	-1,800	-2,700
		Subtotal Learning Disabilities	0	-500	-400	-1,800	-2,700
		All Client Groups					
15SCS10	NP	Demography			5,000	5,000	10,000
15SCS11	NS	Phased reduction in line with central government reductions in Supporting People funding for Housing Related Support		-1,000	-500		-1,500
		Subtotal All Client Groups	0	-1,000	4,500	5,000	8,500

NS - New Saving

NP - New Pressure

Adult Social Care

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		Joint Commissioning					
15SCS12	NS	Reduce Social Fund budget. On-going provision for care leavers to be retained, despite withdrawal of central government funding from 2015/16.	-500				-500
		Total Joint Commissioning	-500	0	0	0	-500
		Total Adult Social Care	7,900	-12,740	1,100	-1,600	-5,340

Fire & Rescue and Community Safety

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<u>Community Safety</u>					
15SCS13	NP	Cessation of contract to provide petroleum and explosives licensing and enforcement function for another local authority	25				25
15SCS14	NP	Reduction in income from legal metrology services arising from local business developing an accredited 'in-house' service (Trading Standards)	40				40
15SCS15	NS	Cease funding provided to local Community Safety Partnerships (with £44k retained to continue to support the Domestic Abuse Coordinator post)	-190				-190
15SCS16	NS	Cessation of dedicated Community Safety coordination work through the Safer Communities Unit		-194			-194
15SCS17	NS	Increased income from business support services and new specialist training service (Trading Standards)		-20			-20
15SCS18	NS	Reduction in livestock welfare enforcement work and refocus of remaining animal health activity on animal health and disease control (Trading Standards)		-30			-30
		Total Community Safety	-125	-244	0	0	-369

NS - New Saving

NP - New Pressure

Fire & Rescue and Community Safety

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<u>Fire and Rescue & Emergency Planning</u>					
		Fire & Rescue					
15SCS19	NP	Change of staffing to support county-wide Emergency Cover - Bicester Fire Station - potential staffing model change from fully on-call (2 appliances) to 1 appliance on-call and 1 appliance Day Crewed. (This will require an additional 10 firefighters plus 4 supervisory managers)			700		700
15SCS20	NP	Change of staffing to support county-wide Emergency Cover - Establish an initial additional emergency response resource for Southern County area - (requiring an additional 6 Firefighters)	216				216
15SCS21	NP	New provision of staff to meet changing emergency cover needs - Establish an initial additional emergency response resource for West Oxford District Council & Carterton area (additional 6 Firefighters) - long term move to an 'on-call' model	216				216
15SCS22	NP	Development of established staffing model to support emergency cover - Increase in on-call firefighters in the West Oxford District Council & Carterton area				50	50
15SCS23	NP	New Provision of Staff to meet changing emergency cover needs - Additional on-call crewing to strengthen second appliance response in Wantage / Science Vale area		50			50
15SCS24	NP	Workforce Development/Training Strategy - Increase on-call Firefighter & Supervisory Manager Core Operational Skills experiential training	210				210
15SCS25	NP	Vehicle Renewal/Replacement Programme - Increased costs (inflation and specialist equipment costs)	25				25
15SCS26	NS	Emergency Planning - Restructure and alignment with Oxfordshire Fire & Rescue in relation to business continuity management.			-20		-20
15SCS27	NS	Agile Working - Full review of administration and support function following the introduction of agile working arrangements				-60	-60
15SCS28	NS	Development of Commercial Training Unit (Income Generation)	-25	-25	-25	-25	-100

NS - New Saving

NP - New Pressure

Fire & Rescue and Community Safety

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		Fire and Rescue Continued					
15SCS29	NS	Collaboration Efficiencies - Revenue reductions associated with implementation of Thames Valley Fire Control Service (TVFCS)	-150	-75	-25	-25	-275
15SCS30	NS	Collaboration Efficiencies - reconfiguration of Oxfordshire Fire & Rescue's Technical Communications Team following the implementation of TVFCS			-25		-25
15SCS31	NS	Collaboration Efficiencies - Benefits realisation of collaborative approach to training delivery, leading to the reduction in staffing costs.			-50		-50
15SCS32	NS	Collaboration Efficiencies - Benefits realisation of collaborative approach to training support, leading to reconfiguration of training administration resources				-50	-50
15SCS33	NS	Senior Management Restructure and Collaboration - amend operational rota			-30		-30
15SCS34	NS	Charging and Fees Efficiencies - Review of current charges including revisiting Fire and Rescue Services Act 2004 Section 13/16 arrangements	-25	-25			-50
15SCS35	NS	Middle Management Review - Road Safety function		-40			-40
15SCS36	NS	Large/Major Incident Command Review - review OFRS resources in conjunction with the other Thames Valley fire & rescue services.				-30	-30
15SCS37	NS	Targeted Smoke Detector Provision for the most vulnerable only	-10				-10
15SCS38	NS	Review of Road Safety Educational Delivery	-38				-38
15SCS39	NS	Change of Staffing to Support County-wide Emergency Cover - Reduction in staffing for one on-call appliance at Bicester - covered by Day Crewed personnel (see 15SCS19)				-50	-50
15SCS40	NS	Conditions of Service Review - locally agreed reduction in allowances & subsistence	-20				-20
15SCS41	NS	Change of Staffing to Support County-wide Emergency Cover - Alternative crewing arrangements for hydraulic platform and frontline appliances at Rewley Road (releasing 8 Firefighter posts)	-288				-288

NS - New Saving

NP - New Pressure

Fire & Rescue and Community Safety

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		Fire and Rescue Continued					
15SCS42	NS	Change of Staffing to Support County-wide Emergency Cover - Banbury Fire Station - staffing model change from 1 appliance full time 24/7 and one on-call appliance to 1 appliance Day Crewed and one on-call (release 10 Firefighters plus 4 Supervisory Managers)			-360		-360
15SCS43	NS	Reduction in Full-time Firefighter Support - for new Carterton emergency cover arrangements (see 15SCS21)				-216	-216
		Total Fire and Rescue & Emergency Planning	111	-115	165	-406	-245
		Total Fire & Rescue and Community Safety	-14	-359	165	-406	-614

NS - New Saving
 NP - New Pressure

Environment & Economy

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		Strategy & Infrastructure					
15EE1	NS	Carbon Reduction Tax - Council no longer part of government scheme (below threshold)	-120	-290			-410
15EE2	NS	Merger of Energy, Natural Environment and Waste Strategy Teams	-35	-120			-155
15EE3	NS	Recover costs for Local Enterprise Partnership administration and communication	-70				-70
15EE4	NS	Reduction to Economy & Skills Establishment	-45				-45
15EE5	NS	Unidentified Savings within Strategy - Delivery being planned			-150		-150
15EE6	NS	Move to a self funding position for travel planning			-75		-75
15EE7	NS	Move to a self funding position for Invest in Oxfordshire			-125		-125
15EE8	NS	Reduce Travel Behaviour and Energy non-staffing budgets		-240			-240
15EE9	NP	Rights of Way Income - Reduction in target	75				75
15EE10	NS	Asset Rationalisation - Agile working - Over and above the medium term plan target				-640	-640
15EE11	NP	Asset Reduction Implementation - Change in profile	522	-477	711	-756	0
		Total Strategy & Infrastructure	327	-1,127	361	-1,396	-1,835
		Commercial Services					
		Miscellaneous					
15EE12	NS	Other staff/staffing facilities reduction	-45	-10	-50		-105
15EE13	NS	Unidentified Saving- within Commercial Services delivery being planned				-535	-535
		Subtotal Miscellaneous	-45	-10	-50	-535	-640
		Transport Others					
15EE14	NS	Supported Transport Project savings which includes review of: transport contract management, Dial a Ride, bus subsidies, home to school transports including SEN	-325	-425	-750	-1,700	-3,200
15EE15	NS	Highways Contract process efficiency		-20		-118	-138
15EE16	NS	Withdraw contributions to Bus Stop infrastructure information		-58		-57	-115
		Subtotal Transport Other	-325	-503	-750	-1,875	-3,453
		Property Services					
15EE17	NS	More rigorous corporate Landlord Implementation	-300				-300
15EE18	NS	Property and Facilities staffing including - reduce facilities management structure/Property & Facilities service stream/Property and Facilities staffing			-60	-400	-460
15EE19	NS	Reduce size of property portfolio therefore reducing the overall size of contract		-200	-100	-100	-400
15EE20	NS	Reduce planned Property Repairs and Maintenance				-400	-400
15EE21	NP	Property Energy Costs - Statutory Compliance	150				150
		Subtotal Property Services	-150	-200	-160	-900	-1,410

Environment & Economy

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		Waste Management					
		<u>Waste Disposal</u>					
15EE22	NP	Increased Waste Tonnage - linked to the economic up turn and increase in number of households		500	500		1,000
		<u>Waste Treatment Procurement</u>					
15EE23	NS	Commercial Waste & Electrical energy from waste - 3rd Party Income				-1,300	-1,300
		<u>Waste Recycling Centre Strategy</u>					
15EE24	NP	Household Waste Recycling Centres - additional pressure from increased Redbridge Rent and unachieved savings; new strategy for future savings to be developed	358			-350	8
		<u>Oxfordshire Waste Partnership</u>					
15EE25	NS	Withdraw contribution to Oxfordshire Waste Partnership		-138			-138
		Subtotal Waste Management	358	362	500	-1,650	-430
		Network Maintenance					
15EE26	NS	Reduce the support for street works and events management		-30			-30
15EE27	NS	Reduce Road Survey Budget/other network maintenance/Network management general restructure/joint workings/Further other network maintenance		-100	-102	-281	-483
15EE28	NS	Street Lighting -Energy Saving plus reduction in inspection frequencies and cleaning regimes	-220		-390	-30	-640
15EE29	NP	Pressure on parking related services	300				300
15EE30	NS	Income generated through sponsorship and providing other services		-230	-100	-400	-730
		Subtotal Network Maintenance	80	-360	-592	-711	-1,583
		Roads Maintenance					
15EE31	NS	Reorganisation of Area Stewardship and locality working staff	-52	-145			-197
15EE32	NS	Reduce Grass Cutting		-689			-689
15EE33	NS	Alternative defect repairs		-200			-200
15EE34	NS	Significant defect correction lines/signs				-175	-175
15EE35	NS	Reduction in non-essential tree maintenance		-90			-90
15EE36	NS	Other Highways Savings		-92	-88		-180
15EE37	NP	Additional investment in highways defects following increased volumes	1,800	700			2,500
15EE41	NP	Additional investment in highways (locality based)	1,000	-200			800
		Subtotal Roads Maintenance	2,748	-716	-88	-175	1,769
		Total Commercial Services	2,666	-1,427	-1,140	-5,846	-5,747

Environment & Economy

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<u>Oxfordshire Customer Services</u>					
		OCS Management Team					
15EE38	NS	Oxfordshire Customer Services externalisation	-100	-2,055			-2,155
		Subtotal OCS Management Team	-100	-2,055	0	0	-2,155
		ICT					
15EE39	NS	ICT Rationalisation - including implementation of new telephony technology			-400		-400
15EE40	NS	SAP Hosting efficiencies through joint authority partnering arrangements	-100				-100
		Subtotal ICT	-100	0	-400	0	-500
		Total Oxfordshire Customer Services	-200	-2,055	-400	0	-2,655
		Total Environment & Economy	2,793	-4,609	-1,179	-7,242	-10,237

Chief Executive's Office

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
		<u>Chief Executive's Office & Business Support</u>					
15CEO1	NS	Cut funding to Oxford Inspires (retaining contribution to Experience Oxfordshire)	-25				-25
15CEO2	NS	Public Health staff costs met in full from Public Health	-25				-25
15CEO15	NP	Community Budget	315				315
		Total Chief Executive's Office & Business Support	265	0	0	0	265
		<u>Human Resources</u>					
15CEO3	NS	Reduce Human Resources Establishment by 2fte	-42		-42		-84
15CEO4	NS	Reduce spend on Learning & Development delivery	-170				-170
		Total Human Resources	-212	0	-42	0	-254
		<u>Corporate Finance and Internal Audit</u>					
15CEO5	NS	Reduce Corporate Finance establishment by 1.5fte	-74				-74
		Total Corporate Finance & Internal Audit	-74	0	0	0	-74
		<u>Law and Culture</u>					
15CEO6	NS	Increased Registration Charges and activity	-210				-210
15CEO7	NS	Coroners - review and renegotiate contracts and agreements	-90				-90
15CEO8	NS	Withdrawal of grant scheme for the improvement of village halls and other community buildings	-59				-59
15CEO9	NS	Removal of unallocated resource in 2014/15 (£16k) and withdrawal of grant to The Mill Arts Centre (£80k)	-16			-80	-96
15CEO10	NS	Increased efficiencies to be achieved by Library Service through further review of management support, book procurement, supplies and services		-63	-187		-250
15CEO12	NP	Increase in childcare court fees - volume and cost	120				120
		Total Law and Culture	-255	-63	-187	-80	-585
		<u>Strategy and Communications</u>					
15CEO13	NS	Remove 4fte (vacant posts) and reduce Communications spend	-87	-50	-50	-50	-237
15CEO14	NS	Take out military and local grants (Locality Grant to Choose Abingdon and Refugee Resource Grant)	-130	-30	-15		-175
		Total Strategy and Communications	-217	-80	-65	-50	-412
		Total Chief Executive's Office	-493	-143	-294	-130	-1,060

Public Health

Reference	Type of Budget Change	Detail	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
15PH1	NS	More efficient contract negotiations			-1,250	-1,250	-2,500
		Total Public Health	0	0	-1,250	-1,250	-2,500

Changes to the 28 January 2014 Cabinet budget proposals

Summary position		2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Total new pressures		19,296	11,272	12,817	18,019	61,404
Total new savings		-11,430	-20,288	-13,308	-19,615	-64,641
Net position reported in January 2014		7,866	-9,016	-491	-1,596	-3,237
Additional contribution to contingency		439			6	445
Surplus of savings over pressures available to allocate		8,305	-9,016	-491	-1,590	-2,792
Total additional business rates income		-1,398	162	-15	-15	-1,266
Total to allocate		6,907	-8,854	-506	-1,605	-4,058

New Pressures	Reference	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Total pressures reported in January 2014		19,296	11,272	12,817	18,019	61,404
Additional contribution to contingency	Corporate	439			6	445
		19,735	11,272	12,817	18,025	61,849
Changes:						
Adjustment to the top-up compensation grant for the cap on the business rates multiplier	Corporate	42				42
Adjustment to government grants following final settlement	Corporate	-14	18			4
Additional funding for staffing for the Multi Agency Safeguarding Hub	15CEF13 (new)	350				350
Create a more personalised approach to home support which will include removing short visits for personal care for older people	15SCS44 (new)	400	400			800
Additional investment in highways (locality based)	15EE41 (new)	1,000	-200			800
Community Budget	15CEO15 (new)	315				315
One-off investment for flooding (scheme to be developed) and on-going winter contingency	Corporate	400				400
Total changes to pressures		2,493	218	0	0	2,711
Total adjusted pressures		22,228	11,490	12,817	18,025	64,560

Proposed Savings	Reference	2014/15 £'000	2015/16 £'000	2016/17 £'000	2017/18 £'000	Total £'000
Total savings reported in January 2014		-11,430	-20,288	-13,308	-19,615	-64,641
Changes:						
<u>Additional business rates income</u>						
Additional business rates growth	Corporate	-459	388	-15	-15	-101
Deficit on business rates collection fund	Corporate	226	-226			0
Compensation grant in relation to cap on business rates multiplier and other reliefs	Corporate	-1,165				-1,165
Total additional business rates income		-1,398	162	-15	-15	-1,266
<u>Reductions to savings proposals</u>						
Reinstate funding for respite breaks in SEN and Disability	15CEF11			100		100
Reduce savings in Learning Disability	15SCS9		300	400		700
Continue to provide a subsidised laundry service for people who suffer from incontinence	15SCS5		60			60
Reduce saving for welfare rights and advocacy but undertake a review of information and advice services	15SCS6		200			200
Phase reduction in funding for Housing Related Support	15SCS11		500	-500		0
reduce saving for reorganisation of Area Stewardship and locality working staff	15EE31		200			200
Do not reduce grants to Pegasus Theatre, Oxfordshire Youth Arts Partnership and Oxfordshire Visual Arts Development Agency	15CEO9		31	31		62
Remove funding reduction for Victoria County History service	15CEO12			10	15	25
Total changes to savings		0	1,291	41	15	1,347
Total adjusted savings		-12,828	-18,835	-13,282	-19,615	-64,560



Detailed Revenue Budget 2014/15

February 2014

**Draft Revenue Budget 2014/15
Summary**

		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
		£000	£000	£000	£000	£000	£000	£000	£000
Children, Education & Families	Expenditure	467,709	-13,009	561	463	-3,852	586	-7,476	444,982
	Recharge Income	-1,677	1	0	0	0	0	64	-1,612
	DSG income (*)	-312,927	13,525	0	0	0	0	6,900	-292,502
	Grant income	-20,431	-538	0	0	0	0	-88	-21,057
	Other Income	-27,473	612	-2	0	10	-40	-300	-27,193
		105,201	591	559	463	-3,842	546	-900	102,618
Social & Community Services	Expenditure	258,573	-23,747	2,618	0	-3,337	9,871	1,314	245,292
	Recharge Income	-12,298	3,760	-52	0	0	0	-37	-8,627
	Grant income	0	0	0	0	0	0	0	0
	Other Income	-39,359	19,913	-82	0	-500	-1,985	72	-21,941
			206,916	-74	2,484	0	-3,837	7,886	1,349
Environment & Economy	Expenditure	157,203	16,730	1,935	0	-2,153	2,588	1,383	177,686
	Recharge Income	-58,610	-17,410	0	0	-37	0	1,450	-74,607
	Grant income	-4,479	-435	0	0	0	0	-535	-5,449
	Other Income	-14,847	-1,062	-56	0	-540	205	202	-16,098
			79,267	-2,177	1,879	0	-2,730	2,793	2,500
Chief Executive's Office (including Cultural Services)	Expenditure	33,365	2,035	179	0	-881	-283	563	34,978
	Recharge Income	-9,953	-99	0	0	0	0	-831	-10,883
	Grant income	0	0	0	0	0	0	0	0
	Other Income	-2,850	-322	-43	0	56	-210	22	-3,347
			20,562	1,614	136	0	-825	-493	-246
Public Health	Expenditure	25,264	434	0	0	0	0	1,148	26,846
	Grant income	-25,264	0	0	0	0	0	-822	-26,086
	Other Income	0	-434	0	0	0	0	-326	-760
		0	0	0	0	0	0	0	0
Strategic Measures and Contributions to/from Reserves	Expenditure	43,580	0	0	0	1,056	400	-578	44,458
	Recharge Income	-2,737	0	0	0	-1,211	0	1,367	-2,581
	Other Income	-5,026	0	0	0	-1,267	0	-10,091	-16,384
		35,817	0	0	0	-1,422	400	-9,302	25,493
	Net Operating Budget	447,763	-46	5,058	463	-12,656	11,132	-6,599	445,115

**Draft Revenue Budget 2014/15
Summary**

		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
		£000	£000	£000	£000	£000	£000	£000	£000
Unringfenced Specific Grants	Grant income	-17,083	46	0	2,841	-637	0	0	-14,833
General Government Grant	Grant income	-130,181	0	0	0	0	0	13,168	-117,013
Business Rates from District Councils	Other Income	-27,287	0	0	0	0	0	-1,320	-28,607
Collection Fund Surpluses/Deficits	Other Income	-4,763	0	0	0	0	0	-2,165	-6,929
COUNCIL TAX REQUIREMENT		268,449	0	5,058	3,304	-13,293	11,132	3,084	277,734
	Expenditure	985,694	-17,557	5,293	463	-9,167	13,162	-3,646	974,242
	Recharge Income	-85,275	-13,748	-52	0	-1,248	0	2,013	-98,310
	DSG income (*)	-312,927	13,525	0	0	0	0	6,900	-292,502
	Grant income	-197,438	-927	0	2,841	-637	0	11,723	-184,438
	Other Income	-121,605	18,707	-183	0	-2,241	-2,030	-13,906	-121,259
COUNCIL TAX REQUIREMENT		268,449	0	5,058	3,304	-13,293	11,132	3,084	277,734

(*) Notes

1. DSG = Dedicated Schools Grant.
2. The DSG and grant income budgets reflect the latest estimates for grant allocations in 2014/15. For CEF further changes will be required to reflect revised pupil numbers and academy conversions.

References to the "Service and Resource Planning: Service Analysis 2013/14" publication have been added throughout this document to show the movement from 2013/14 to 2014/15.

Draft Revenue Budget 2014/15
Children, Education & Families

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
CEF1	CEF1	<u>EDUCATION & EARLY INTERVENTION</u>									
CEF1-1	CEF1-1	Management & Central Costs (including admin and support service recharges)	Expenditure Recharge Income DSG income Grant income Income	12,964 -72 -424 0 0	98 0 0 0 0	26 0 0 0 0	0 0 0 0 0	0 0 0 0 0	0 0 0 0 0	-671 72 0 0 0	12,417 0 -424 0 0
				12,468	98	26	0	0	0	-599	11,993
CEF1-2	CEF1-2	Additional & Special Educational Needs	Expenditure Recharge Income DSG income Grant income Income	25,732 -111 -23,684 0 -543	2,682 0 -2,685 0 1	21 0 0 0 0	835 0 0 0 0	0 0 0 0 10	0 0 0 0 0	1,362 0 -1,349 0 0	30,632 -111 -27,718 0 -532
				1,394	-2	21	835	10	0	13	2,271
CEF1-3	CEF1-3	Early Intervention	Expenditure Recharge Income DSG income Grant income Income	19,958 -91 -2,429 -309 -69	1,919 2 -1 0 -5	95 0 0 0 0	-969 0 0 0 0	-1,799 0 0 0 0	499 0 0 0 0	47 0 0 309 -300	19,750 -89 -2,430 0 -374
				17,060	1,915	95	-969	-1,799	499	56	16,857
CEF1-4	CEF1-4	Education	Expenditure Recharge Income DSG income Grant income Income	15,647 -592 -6,759 -855 -3,369	7 -283 1 -1 307	39 0 0 0 -1	0 0 0 0 0	-1,652 0 0 0 0	-263 0 0 0 -40	350 0 112 -451 0	14,128 -875 -6,646 -1,307 -3,103
				4,072	31	38	0	-1,652	-303	11	2,197

Draft Revenue Budget 2014/15
Children, Education & Families

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
CEF1-5	CEF1-5	School Organisation & Planning (Including Home to School Transport recharge)	Expenditure	21,128	-324	4	0	-71	0	607	21,344
			Recharge Income	-1	1	0	0	0	0	-8	-8
			DSG income	-5,843	616	0	0	0	0	-962	-6,189
			Grant income	0	0	0	0	0	0	0	0
			Income	-334	334	0	0	0	0	0	0
				14,950	627	4	0	-71	0	-363	15,147
CEF1		SUBTOTAL EDUCATION & EARLY INTERVENTION		49,944	2,669	184	-134	-3,512	196	-882	48,465
CEF2	CEF2	<u>CHILDREN'S SOCIAL CARE</u>									
CEF2-1	CEF2-1	Management & Central Costs (including admin and support service recharges)	Expenditure	7,668	96	30	0	0	350	-225	7,919
			Recharge Income	-37	0	0	0	0	0	0	-37
			DSG income	0	0	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				7,631	96	30	0	0	350	-225	7,882
CEF2-2	CEF2-2	Corporate Parenting	Expenditure	13,687	695	85	597	-180	0	69	14,953
			Recharge Income	-60	0	0	0	0	0	0	-60
			DSG income	0	0	0	0	0	0	0	0
			Grant income	-200	-417	0	0	0	0	437	-180
			Income	-82	34	0	0	0	0	0	-48
				13,345	312	85	597	-180	0	506	14,665
CEF2-3	CEF2-3	Social Care	Expenditure	23,026	-2,779	89	0	-150	0	-462	19,724
			Recharge Income	-619	250	0	0	0	0	0	-369
			DSG income	-1,770	0	0	0	0	0	0	-1,770
			Grant income	-796	-4	0	0	0	0	0	-800
			Income	-310	11	-1	0	0	0	0	-300
				19,531	-2,522	88	0	-150	0	-462	16,485
CEF2-4	CEF2-4	Safeguarding	Expenditure	1,114	31	9	0	0	0	5	1,159
			Recharge Income	-53	0	0	0	0	0	0	-53
			DSG income	-64	0	0	0	0	0	0	-64
			Grant income	0	0	0	0	0	0	0	0
			Income	-90	-4	0	0	0	0	0	-94
				907	27	9	0	0	0	5	948

Draft Revenue Budget 2014/15
Children, Education & Families

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
CEF2-5	CEF2-5	Services for Disabled Children	Expenditure	6,931	-20	34	0	0	0	11	6,956
			Recharge Income	-41	31	0	0	0	0	0	-10
			DSG income	0	0	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				6,890	11	34	0	0	0	11	6,946
CEF2-6	CEF2-6	Youth Offending Service	Expenditure	1,830	-246	14	0	0	0	-94	1,504
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	0	0	0	0	0	0	0	0
			Grant income	-1,047	311	0	0	0	0	100	-636
			Income	-282	-65	0	0	0	0	0	-347
				501	0	14	0	0	0	6	521
CEF2		SUBTOTAL CHILDREN'S SOCIAL CARE		48,805	-2,076	260	597	-330	350	-159	47,447
CEF3	CEF3	<u>CHILDREN, EDUCATION & FAMILIES</u> <u>(CEF) CENTRAL COSTS</u>									
CEF3-1	CEF3-1	Management, Admin & Central Support Service Recharges	Expenditure	923	-35	7	0	0	0	-50	845
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	0	0	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				923	-35	7	0	0	0	-50	845
CEF3-2	CEF3-2	Premature Retirement Compensation (PRC)	Expenditure	3,722	0	100	0	0	0	0	3,822
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	0	0	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				3,722	0	100	0	0	0	0	3,822

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Children, Education & Families

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
CEF4-5	CEF4-5	Capitalised Repairs & Maintenance	Expenditure	3,728	0	0	0	0	0	0	3,728
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	-3,728	0	0	0	0	0	0	-3,728
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0
n/a	CEF4-6	Higher Needs in Further Education Colleges	Expenditure	1,595	-1,595	0	0	0	0	0	0
			Recharge Income	0	0	0	0	0	0	0	0
			DSG income	-1,595	1,595	0	0	0	0	0	0
			Grant income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0
CEF4		SUBTOTAL SCHOOLS		302	33	8	0	0	0	191	534
			Expenditure	467,709	-13,009	561	463	-3,852	586	-7,476	444,982
			Recharge Income	-1,677	1	0	0	0	0	64	-1,612
			DSG income	-312,927	13,525	0	0	0	0	6,900	-292,502
			Grant income	-20,431	-538	0	0	0	0	-88	-21,057
			Income	-27,473	612	-2	0	10	-40	-300	-27,193
		DIRECTORATE TOTAL		105,201	591	559	463	-3,842	546	-900	102,618

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Social & Community Services

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
SCS1	SCS1	<u>ADULT SOCIAL CARE</u>									
SCS1-1	SCS1-1	Older People									
SCS1-1ABCDF	SCS1-1ABCDF	Older People Non Pool Services	Expenditure	25,592	-24,455	0	0	-13	900	-2,024	0
			Recharge Income	-454	454	0	0	0	0	0	0
			Other income	-29,155	19,470	0	0	-500	-2,000	12,185	0
				-4,017	-4,531	0	0	-513	-1,100	10,161	0
SCS1-1E	SCS1-1E	Older People and Equipment Pooled	Expenditure	77,034	2,742	1,901	0	-3,113	9,500	-88,064	0
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				77,034	2,742	1,901	0	-3,113	9,500	-88,064	0
SCS1-1A	SCS1-1E, SCS1-1A	Pooled Budget Contributions	Expenditure	0	0	0	0	0	0	92,256	92,256
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	92,256	92,256
SCS1-1C	SCS1-1ABCD	Income	Expenditure	0	0	0	0	0	0	0	0
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	-11,985	-11,985
				0	0	0	0	0	0	-11,985	-11,985
		Subtotal Older People		73,017	-1,789	1,901	0	-3,626	8,400	2,368	80,271
SCS1-2	SCS1-2	Learning Disabilities									
SCS1-2ABD	SCS1-2ABD	Learning Disabilities Non Pool Services	Expenditure	9,562	-3,586	52	0	0	0	37	6,065
			Recharge Income	-9,287	3,548	-52	0	0	0	-37	-5,828
			Other income	-5,396	38	-51	0	0	0	0	-5,409
				-5,121	0	-51	0	0	0	0	-5,172
SCS1-2C	SCS1-2C	Pooled Budget Contribution	Expenditure	66,976	-112	361	0	415	0	37	67,677
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				66,976	-112	361	0	415	0	37	67,677
		Subtotal Learning Disabilities		61,855	-112	310	0	415	0	37	62,505

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Social & Community Services

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
SCS1-3	SCS1-3	Mental Health									
SCS1-3A	SCS1-3A	Non-Pool Services	Expenditure	855	1,709	0	0	0	0	4	2,568
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				855	1,709	0	0	0	0	4	2,568
SCS1-3B	SCS1-3B	Pooled Budget Contributions	Expenditure	8,519	-1,715	0	0	-334	0	0	6,470
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	-261	0	-2	0	0	0	0	-263
				8,258	-1,715	-2	0	-334	0	0	6,207
		Subtotal Mental Health		9,113	-6	-2	0	-334	0	4	8,775
SCS1-4	SCS1-4	Services For All Client Groups									
SCS1-4A-J	SCS1-4A-J	Services For All Client Groups	Expenditure	4,643	1,554	30	0	0	0	-396	5,831
			Recharge Income	0	-264	0	0	0	0	0	-264
			Grant income	0	0	0	0	0	0	0	0
			Other income	-2,241	494	-10	0	0	0	414	-1,343
				2,402	1,784	20	0	0	0	18	4,224
SCS1-4I	SCS1-4I	Housing Related Support	Expenditure	4,436	-543	0	0	0	0	0	3,893
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				4,436	-543	0	0	0	0	0	3,893
		Subtotal Services for All Client Groups		6,838	1,241	20	0	0	0	18	8,117
SCS1-5	SCS1-5	Physical Disabilities									
SCS1-5A	SCS1-5A	Pooled Budget Contribution	Expenditure	11,310	585	0	0	8	0	0	11,903
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				11,310	585	0	0	8	0	0	11,903
SCS1-5B	SCS1-5B	Income	Expenditure	0	0	0	0	0	0	0	0
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	-644	0	-13	0	0	0	0	-657
				-644	0	-13	0	0	0	0	-657
		Subtotal Physical Disabilities		10,666	585	-13	0	8	0	0	11,246

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Social & Community Services

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
SCS1-6	SCS1-6	Adult Social Care Recharges									
SCS1-6	SCS1-6	Adult Social Care Recharges	Expenditure	10,437	0	0	0	0	0	-1,002	9,435
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				10,437	0	0	0	0	0	-1,002	9,435
		Subtotal Adult Social Care Recharges		10,437	0	0	0	0	0	-1,002	9,435
SCS1		SUBTOTAL ADULT SOCIAL CARE		171,926	-81	2,216	0	-3,537	8,400	1,425	180,349
SCS2	SCS2	<u>COMMUNITY SAFETY</u>									
SCS2-1	SCS2-1	Safer Communities	Expenditure	557	-22	2	0	0	-190	351	698
			Recharge Income	-22	22	0	0	0	0	0	0
			Other income	-63	0	0	0	0	0	-350	-413
				472	0	2	0	0	-190	1	285
SCS2-2	SCS2-2	Gypsy & Traveller Services	Expenditure	1,004	45	4	0	0	0	-3	1,050
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	-1,001	-45	-1	0	0	0	-3	-1,050
				3	0	3	0	0	0	-6	0
SCS2-3	SCS2-3	Trading Standards	Expenditure	2,276	102	16	0	0	0	-7	2,387
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	-157	-102	-2	0	0	65	0	-196
				2,119	0	14	0	0	65	-7	2,191
SCS2		SUBTOTAL COMMUNITY SAFETY		2,594	0	19	0	0	-125	-12	2,476
SCS3	SCS3	<u>JOINT COMMISSIONING</u>									
SCS3-1 to SCS3-5	SCS3-1 to SCS3-5	Joint Commissioning	Expenditure	8,828	7	67	0	-500	0	-116	8,286
			Recharge Income	-2,531	0	0	0	0	0	0	-2,531
			Other income	-160	0	-2	0	0	0	0	-162
				6,137	7	65	0	-500	0	-116	5,593
SCS3-6	SCS3-6	Oxfordshire Support Fund	Expenditure	944	0	0	0	0	-500	0	444
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				944	0	0	0	0	-500	0	444
SCS3		TOTAL JOINT COMMISSIONING		7,081	7	65	0	-500	-500	-116	6,037

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Social & Community Services

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
SCS4	SCS4	<u>FIRE AND RESCUE & EMERGENCY PLANNING</u>									
SCS4-1	SCS4-1	Fire & Rescue Service	Expenditure	25,226	-58	182	0	200	161	243	25,954
			Recharge Income	-4	0	0	0	0	0	0	-4
			Other income	-281	58	-1	0		-50	-189	-463
				24,941	0	181	0	200	111	54	25,487
SCS4-2	SCS4-2	Emergency Planning	Expenditure	374	0	3	0	0	0	-2	375
			Recharge Income	0	0	0	0	0	0	0	0
			Other income	0	0	0	0	0	0	0	0
				374	0	3	0	0	0	-2	375
SCS4		SUBTOTAL FIRE AND RESCUE & EMERGENCY PLANNING		25,315	0	184	0	200	111	52	25,862
			Expenditure	258,573	-23,747	2,618	0	-3,337	9,871	1,314	245,292
			Recharge Income	-12,298	3,760	-52	0	0	0	-37	-8,627
			Grant income	0	0	0	0	0	0	0	0
			Other Income	-39,359	19,913	-82	0	-500	-1,985	72	-21,941
		DIRECTORATE TOTAL		206,916	-74	2,484	0	-3,837	7,886	1,349	214,724

Draft Revenue Budget 2014/15
Social & Community Services - Learning Disabilities Pooled Budget

Ref. 2014/15		Budget 2013/14 £000	Permanent Virements Agreed in 2013/14 £000	Inflation £000	Function and Funding Changes £000	Previously Agreed Budget Changes £000	New Pressures & Savings £000	Proposed Virements £000	Budget 2014/15 £000
	Personalisation / Ongoing Support	63,363	-715	0	0	0	0	-62,648	0
	Housing & Direct Access	615	10	0	0	0	0	-625	0
	Assistive Technology / Equipment	120	0	0	0	0	0	-120	0
	Partnership Boards	40	0	0	0	0	0	-40	0
	Carer's Grants	187	0	0	0	0	0	-187	0
	Recharges from Oxfordshire County Council								
	Specialist and Commissioning Teams	2,174	59	0	0	0	0	-2,233	0
	Internal Services	4,500	0	0	0	0	0	-4,500	0
	Health Provision								
	Health Learning Disabilities Teams	3,948	93	0	0	0	0	-4,041	0
	Oxfordshire Inpatient Services	2,504	21	0	0	0	0	-2,525	0
	Out of Area Treatments	950	0	0	0	0	0	-950	0
	Continuing Health Care	1,000	0	0	0	0	0	-1,000	0
SPB4-1	Personalisation / Ongoing Support	0	0	309	0	415	0	66,194	66,918
SPB4-2	Contracted Services - Recharged Blocks	0	0	0	0	0	0	710	710
SPB4-3	Contracted Services - Housing / Vacancies	0	0	0	0	0	0	397	397
SPB4-4	In-Patient Services	0	0	0	0	0	0	2,525	2,525
SPB4-5	Information and Consultation	0	0	0	0	0	0	52	52
SPB4-6	Carers	0	0	0	0	0	0	187	187
SPB4-7	Learning Disability Partnership and Autism Board	0	0	0	0	0	0	40	40
SPB4-8	Direct Access Services	0	0	0	0	0	0	146	146
SPB4-9	Assistive Technology	0	0	0	0	0	0	100	100
SPB4-10	Staffing Recharges	0	0	0	0	0	0	6,284	6,284
SPB4-11	Other Recharges	0	0	52	0	0	0	321	373
SPB4-12	Out of Area Treatments	0	0	0	0	0	0	950	950
SPB4-13	Continuing Care	0	0	0	0	0	0	1,000	1,000
	Total Expenditure	79,401	-532	361	0	415	0	37	79,682

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Environment & Economy

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
EE1	EE1	<u>STRATEGY & INFRASTRUCTURE</u>									
EE1-1 to EE1-5	EE1-1 to EE1-5	Strategy & Infrastructure	Expenditure	10,113	-90	63	0	-353	322	573	10,628
			Recharge Income	-325	-444	0	0	0	0	0	-769
			Grant income	-125	125	0	0	0	0	-535	-535
			Income	-1,112	9	-8	0	-10	5	0	-1,116
				8,551	-400	55	0	-363	327	38	8,208
EE1-6	EE1-6	Flood Defence Levy	Expenditure	478	0	0	0	0	0	53	531
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				478	0	0	0	0	0	53	531
EE1-7	EE1-7	Local Enterprise Partnership	Expenditure	0	500	0	0	0	0	0	500
			Recharge Income	0	0	0	0	0	0	0	0
			Grant income	0	-500	0	0	0	0	0	-500
			Income	0	0	0	0	0	0	0	0
				0	0	0	0	0	0	0	0
EE1		SUBTOTAL STRATEGY & INFRASTRUCTURE		9,029	-400	55	0	-363	327	91	8,739
EE2	EE2	<u>COMMERCIAL</u>									
EE2-1	EE2-1	Commercial Management	Expenditure	-904	329	6	0	-573	0	174	-968
			Recharge Income	0	0	0	0	0	0	0	0
			Income	-95	0	0	0	0	0	0	-95
				-999	329	6	0	-573	0	174	-1,063
EE2-1	EE2-1	Subtotal Commercial Management		-999	329	6	0	-573	0	174	-1,063
EE2-2	EE2-2	Operational Contract/Client Management									
EE2-21	EE2-21a	Operational Contract/Client Management (previously called Highways & Transport Client Management)	Expenditure	1,426	-984	6	0	0	0	5	453
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				1,426	-984	6	0	0	0	5	453
n/a	EE2-21b	Public Transport (moved to EE2-24B during 2013/14)	Expenditure	5,636	-5,636	0	0	0	0	0	0
			Recharge Income	0	0	0	0	0	0	0	0
			Income	-789	789	0	0	0	0	0	0
				4,847	-4,847	0	0	0	0	0	0

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Environment & Economy

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
n/a	EE2-21c	Concessionary Fares (moved to EE2-24B during 2013/14)	Expenditure	7,704	-7,704	0	0	0	0	0	0
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				7,704	-7,704	0	0	0	0	0	0
EE2-22	EE2-22	Property & Facilities Management	Expenditure	22,425	-250	319	0	-485	-195	-207	21,607
			Recharge Income	-22,997	-113	0	0	0	0	-99	-23,209
			Income	-553	-35	-2	0	0	0	18	-572
				-1,125	-398	317	0	-485	-195	-288	-2,174
EE2-23	EE2-23	Programme Management	Expenditure	459	120	13	0	0	0	1	593
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				459	120	13	0	0	0	1	593
EE2-24A	EE2-24A	Waste Management	Expenditure	23,054	-263	365	0	549	358	4	24,067
			Recharge Income	0	0	0	0	0	0	0	0
			Income	-378	0	-8	0	-20	0	0	-406
				22,676	-263	357	0	529	358	4	23,661
EE2-24B	EE2-24B	Supported Transport (moved from EE2-21b, EE2-21c and EE2-37 during 2013/14)	Expenditure	0	28,565	401	0	0	-325	2,672	31,313
			Recharge Income	0	-15,472	0	0	0	0	-1,705	-17,177
			Income	0	-1,154	-7	0	0	0	-253	-1,414
				0	11,939	394	0	0	-325	714	12,722
EE2-25	EE2-25	Highways & Transport Contract & Performance Management (new line during 2013/14)	Expenditure	0	1,504	3	0	0	0	4	1,511
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				0	1,504	3	0	0	0	4	1,511
EE2-2	EE2-2	Subtotal Operational Contract/Client Management		35,987	-633	1,090	0	44	-162	440	36,766

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Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
EE2-31 to EE2-35	EE2-31 to EE2-35	Network & Asset Management (Excluding On/Off Street Parking and Park & Rides)	Expenditure	17,600	-1,087	534	0	443	-220	23	17,293
			Recharge Income		0	0	0	0	0	0	0
			Income	-968	0	-18	0	0	0	1	-985
				16,632	-1,087	516	0	443	-220	24	16,308
EE2-36	EE2-36	On/Off Street Parking and Park & Rides	Expenditure	6,026	17	6	0	0	0	2	6,051
			Recharge Income		0	0	0	0	0	0	0
			Income	-6,802	0	0	0	-350	300	0	-6,852
				-776	17	6	0	-350	300	2	-801
n/a	EE2-37	Integrated Transport Unit (moving to EE2-24B Supported Transport)	Expenditure	2,648	10	0	0	0	0	-2,658	0
			Recharge Income	-2,061	0	0	0	0	0	2,061	0
			Income	-254	1	0	0	0	0	253	0
				333	11	0	0	0	0	-344	0
EE2-3	EE2-3	Subtotal Network & Asset Management		16,189	-1,059	522	0	93	80	-318	15,507
EE2-4	EE2-4	Operations Delivery	expenditure	10,607	1,342	25	0	-1,103	2,748	21	13,640
			recharge Income	-642	2	0	0	0	0	0	-640
			grant income	-230	0	0	0	0	0	0	-230
			income	-217	-1	-3	0	0	0	0	-221
				9,518	1,343	22	0	-1,103	2,748	21	12,549
EE2		SUBTOTAL COMMERCIAL		60,695	-20	1,640	0	-1,539	2,666	317	63,759

Draft Revenue Budget 2014/15
Environment & Economy

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
EE3	EE3	<u>OXFORDSHIRE CUSTOMER SERVICES</u>									
EE3-1	EE3-1	Management Team	Expenditure	923	209	5	0	19	0	121	1,277
			Recharge Income	-825	74	0	0	0	0	-408	-1,159
			Income	-98	1	0	0	-160	0	-162	-419
				0	284	5	0	-141	0	-449	-301
EE3-2	n/a	Education Support Services	Expenditure	0	0	0	0	0	0	3,575	3,575
			Recharge Income	0	0	0	0	-250	0	-2,928	-3,178
			Income	0	0	0	0	0	0	-397	-397
				0	0	0	0	-250	0	250	0
EE3-3	EE3-3	ICT	Expenditure	17,683	-412	77	0	-951	-100	-50	16,247
			Recharge Income	-16,350	325	0	0	213	0	700	-15,112
			Income	-1,333	206	0	0	0	0	0	-1,127
				0	119	77	0	-738	-100	650	8
EE3-4	EE3-7	Business Development (previously called Environment & Economy Business Support)	Expenditure	8,264	781	24	0	900	0	-850	9,119
			Recharge Income	0	-661	0	0	0	0	-862	-1,523
			Income	0	0	0	0	0	0	0	0
				8,264	120	24	0	900	0	-1,712	7,596
EE3-5	EE3-5	Customer Service Centre	Expenditure	3,089	453	22	0	-19	0	-49	3,496
			Recharge Income	-3,038	-243	0	0	0	0	46	-3,235
			Income	-51	-210	0	0	0	0	0	-261
				0	0	22	0	-19	0	-3	0
EE3-6	EE3-6	Human Resources (including Adult Learning)	Expenditure	12,424	-1,676	33	0	-451	0	498	10,828
			Recharge Income	-5,896	896	0	0	0	0	1,152	-3,848
			Grant income	-4,124	-60	0	0	0	0	0	-4,184
			Income	-1,125	-32	-5	0	0	0	172	-990
				1,279	-872	28	0	-451	0	1,822	1,806
EE3-7	n/a	Operational Finance	Expenditure	0	0	0	0	-69	0	3,270	3,201
			Recharge Income	0	0	0	0	0	0	-3,273	-3,273
			Income	0	0	0	0	0	0	-10	-10

Draft Revenue Budget 2014/15
Environment & Economy

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
EE3-8	n/a	Pensions, Procure to Pay (P2P)	Expenditure	0	0	0	0	-69	0	-13	-82
			Recharge Income	0	0	0	0	-30	0	2,754	2,724
			Income	0	0	0	0	0	0	-1,484	-1,484
				0	0	0	0	0	0	-1,233	-1,233
				0	0	0	0	-30	0	37	7
n/s	EE3-2	Oxfordshire Customer Services Finance (moved to Pensions, Procure to Pay (EE3-8) and Operational Finance (EE3-7) within OCS and Corporate Finance within the Chief Executive's Office (CEO3))	Expenditure	7,079	1,471	33	0	-30	0	-8,553	0
			Recharge income	-6,020	-2,230	0	0	0	0	8,250	0
			Income	-1,059	-649	-5	0	0	-100	1,813	0
				0	-1,408	28	0	-30	-100	1,510	0
n/a	EE3-4	County Procurement (moved to Corporate Finance within the Chief Executive's Office (CEO3))	Expenditure	469	-469	0	0	0	0	0	0
			Recharge Income	-456	456	0	0	0	0	0	0
			Income	-13	13	0	0	0	0	0	0
				0	0	0	0	0	0	0	0
EE3		SUBTOTAL OXFORDSHIRE CUSTOMER SERVICES		9,543	-1,757	184	0	-828	-200	2,092	9,034
			Expenditure	157,203	16,730	1,935	0	-2,153	2,588	1,383	177,686
			Recharge Income	-58,610	-17,410	0	0	-37	0	1,450	-74,607
			Grant income	-4,479	-435	0	0	0	0	-535	-5,449
			Income	-14,847	-1,062	-56	0	-540	205	202	-16,098
		DIRECTORATE TOTAL		79,267	-2,177	1,879	0	-2,730	2,793	2,500	81,532

Draft Revenue Budget 2014/15
Chief Executive's Office (including Cultural Services)

Ref. 2014/15	Ref. 2013/14	Service Area		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
				£000	£000	£000	£000	£000	£000	£000	£000
CEO1	CEO1	Chief Executive & Business Support	Expenditure	1,461	-25	5	0	-655	265	53	1,104
			Recharge Income	-688	0	0	0	0	0	121	-567
			Income	0	0	0	0	0	0	0	0
				773	-25	5	0	-655	265	174	537
CEO2	CEO2	Human Resources	Expenditure	1,375	1,053	10	0	-37	-212	763	2,952
			Recharge Income	-1,231	0	0	0	0	0	-1,575	-2,806
			Income	-3	0	0	0	0	0	0	-3
				141	1,053	10	0	-37	-212	-812	143
CEO3	CEO3	Corporate Finance & Internal Audit	Expenditure	2,534	1,343	34	0	-35	-74	149	3,951
			Recharge Income	-2,150	-307	0	0	0	0	-925	-3,382
			Income	-322	0	-1	0	0	0	0	-323
				62	1,036	33	0	-35	-74	-776	246
CEO4	CEO4	Law & Culture	Expenditure	21,510	356	115	0	-154	-45	20	21,802
			Recharge Income	-2,797	0	0	0	0	0	39	-2,758
			Grant income	0	0	0	0	0	0	0	0
			Income	-2,518	-329	-42	0	56	-210	22	-3,021
				16,195	27	73	0	-98	-255	81	16,023
CEO5	CEO5	Policy (previously called Strategy & Communications)	Expenditure	3,399	-692	15	0	0	-217	-997	1,508
			Recharge Income	-3,087	208	0	0	0	0	1,509	-1,370
			Income	-7	7	0	0	0	0	0	0
				305	-477	15	0	-217	512	138	
CEO6	CEO6	Corporate & Democratic Core	Expenditure	3,086	0	0	0	0	0	575	3,661
			Recharge Income	0	0	0	0	0	0	0	0
			Income	0	0	0	0	0	0	0	0
				3,086	0	0	0	0	0	0	575
			Expenditure	33,365	2,035	179	0	-881	-283	563	34,978
			Recharge Income	-9,953	-99	0	0	0	0	-831	-10,883
			Grant income	0	0	0	0	0	0	0	0
			Income	-2,850	-322	-43	0	56	-210	22	-3,347
		DIRECTORATE TOTAL		20,562	1,614	136	0	-825	-493	-246	20,748

Draft Revenue Budget 2014/15
Strategic Measures

		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
		£000	£000	£000	£000	£000	£000	£000	£000
<u>CAPITAL FINANCING</u>									
Principal	Expenditure	16,816	0	0	0	901	0	-694	17,023
Interest	Expenditure	18,455	0	0	0	-224	0	0	18,231
Net Interest on Balances (split income and expenditure)	Expenditure	440	0	0	0	-1	0	18	457
	Recharge Income	-2,737	0	0	0	-1,211	0	1,367	-2,581
	Other income	-2,147	0	0	0	414	0	-691	-2,424
		-4,444	0	0	0	-798	0	694	-4,548
SUBTOTAL CAPITAL FINANCING		30,827	0	0	0	-121	0	0	30,706
Contingency	Expenditure	2,308	0	0	0	0	400	768	3,476
Pensions Past Service Deficit Funding	Expenditure	1,500	0	0	0	0	0	-670	830
<u>CONTRIBUTIONS TO/FROM BALANCES</u>									
General Balances	Expenditure	3,000	0	0	0	0	0	0	3,000
SUBTOTAL CONTRIBUTIONS TO/FROM BALANCES		6,808	0	0	0	0	400	98	7,306
<u>CONTRIBUTIONS TO/FROM RESERVES</u>									
Reserves	Expenditure	111	0	0	0	380	0	0	491
	Other income	-2,879	0	0	0	-1,681	0	-9,400	-13,960
		-2,768	0	0	0	-1,301	0	-9,400	-13,469
Prudential Borrowing costs	Expenditure	950	0	0	0	0	0	0	950
SUBTOTAL CONTRIBUTIONS TO/FROM RESERVES		-1,818	0	0	0	-1,301	0	-9,400	-12,519
Strategic Measures	Expenditure	43,580	0	0	0	1,056	400	-578	44,458
	Recharge Income	-2,737	0	0	0	-1,211	0	1,367	-2,581
	Other income	-5,026	0	0	0	-1,267	0	-10,091	-16,384
STRATEGIC MEASURES TOTAL		35,817	0	0	0	-1,422	400	-9,302	25,493

Draft Revenue Budget 2014/15
Strategic Measures

		Budget 2013/14	Permanent Virements Agreed in 2013/14	Inflation	Function and Funding Changes	Previously Agreed Budget Changes	New Pressures & Savings	Proposed Virements	Budget 2014/15
		£000	£000	£000	£000	£000	£000	£000	£000
<u>UNRINGFENCED SPECIFIC GRANT INCOME</u>	Grant income	-17,083	46	0	2,841	-637	0	0	-14,833
TOTAL UNRINGFENCED SPECIFIC GRANT INCOME		-17,083	46	0	2,841	-637	0	0	-14,833
<u>COUNCIL TAX COLLECTION FUND SURPLUSES/DEFICITS</u>	Other income	-4,763	0	0	0	0	0	-2,165	-6,929
TOTAL COLLECTION FUND SURPLUSES/DEFICITS		-4,763	0	0	0	0	0	-2,165	-6,929
<u>BUSINESS RATES FROM DISTRICT COUNCILS</u>	Other income	-27,287	0	0	0	0	0	-1,546	-28,833
<u>BUSINESS RATES COLLECTION FUND SURPLUSES/DEFICITS</u>	Other income	0	0	0	0	0	0	226	226
TOTAL BUSINESS RATES FROM DISTRICT COUNCILS		-27,287	0	0	0	0	0	-1,320	-28,607
<u>GENERAL GOVERNMENT GRANT INCOME</u>									
Revenue Support Grant	Grant income	-94,487	0	0	0	0	0	13,864	-80,623
Business Rates Top-Up	Grant income	-35,694	0	0	0	0	0	-696	-36,390
TOTAL GENERAL GOVERNMENT GRANT INCOME		-130,181	0	0	0	0	0	13,168	-117,013

Draft Revenue Budget 2014/15
Government Grant Details - 2014/15

Directorate	Estimate 2013/14	Revised 2013/14	Estimate 2014/15
	£m	£m	£m
<u>Children, Education & Families</u>			
Additional Grant for Schools	0.000	0.079	0.000
Adoption Improvement Grant	0.000	0.417	0.000
Asylum (UASC & Post 18)	0.795	0.656	0.656
Dedicated Schools Grant	312.927	290.523	292.502
Education Funding Agency – Sixth Form and Bursary Funding	7.813	7.323	7.131
Intensive Interventions Programme (DfE)	0.200	0.200	0.180
Music	0.631	0.631	0.642
National Citizen Service	0.309	0.309	0.000
PE and Sport Grant	0.000	1.169	0.000
Pupil Premium	9.636	9.009	11.668
Remand	0.171	0.144	0.144
Youth Justice Board	0.876	0.736	0.636
Total Children, Education & Families	333.358	311.196	313.559
<u>Environment & Economy</u>			
Skills Funding Agency - Adult Education	3.854	3.914	3.899
Education Funding Agency (Formerly the YPLA)	0.270	0.270	0.285
DCLG (Local Enterprise Partnership Funding)	0.125	0.500	0.500
Local Sustainable Transport Fund Grant	0.000	1.539	0.535
Natural England	0.230	0.230	0.230
Total Environment & Economy	4.479	6.453	5.449

Draft Revenue Budget 2014/15
Government Grant Details - 2014/15

Directorate	Estimate 2013/14	Revised 2013/14	Estimate 2014/15
	£m	£m	£m
<u>Public Health</u>			
Public Health Grant	25.264	25.264	26.086
Total Public Health	25.264	25.264	26.086
<u>Strategic Measures</u>			
Fire Revenue Grant	0.275	0.261	0.285
Lead Local Flood Authority	0.167	0.167	0.167
Extended Rights to Free Travel	0.782	0.610	0.379
Troubled Families - Co-ordinator funding	0.100	0.100	0.100
Troubled Families - Attachment fee	1.015	0.969	0.000
Community Right to Challenge	0.009	0.009	0.009
New Homes Bonus	1.662	1.662	2.387
New Homes Bonus Adjustment Grant	0.533	0.533	0.214
Local Reform and Community Voice Grant	0.401	0.401	0.414
Local Welfare Provision (Social Fund)	0.944	0.944	0.930
Social Care Data	0.000	0.104	0.000
Education Services Grant	9.153	8.096	6.965
Phonics and Moderation Funding (Part of Education Services Grant)	0.000	0.040	0.000
Adoption Reform Grant	1.248	1.195	0.597
Special Educational Needs Reform Grant	0.000	0.075	0.835
Returned Safety Net Topslice	0.794	0.000	0.000
Council Tax Reduction Scheme Transition Grant	0.000	0.625	0.000
Section 31 Grant for Cap on Business Rates Top-up	0.000	0.000	0.386
Section 31 Grant for Cap on Business Rates and Other Reliefs	0.000	0.000	1.165
Revenue Support Grant	94.487	94.487	80.623
Business Rates Top-Up	35.694	35.694	36.390
Total Strategic Measures	147.264	145.972	131.846
Total Grants	510.365	488.885	476.940

Council Tax and Precepts 2014/15

Council Tax Data

1. In order to set its budget for 2014/15, the council needs to calculate its council tax requirement. This is the amount that the council needs to raise from council tax to meet its expenditure after taking account of the income it will accrue from the following
 - (a) the amount to be received from specific grants.
 - (b) the amount to be received from Revenue Support Grant and the Business Rates Top Up under the Business Rates Retention Scheme.
 - (c) the amount to be received for the County Council's share of Non-Domestic Rating Income.
 - (d) any surpluses/shortfalls on the council tax collection funds for earlier years and the estimated position for the current year.
 - (e) the amount expected to be received from fees, charges and contributions.
2. In order to set its council tax for the forthcoming year, the council needs to calculate its council tax requirement and have available the council tax base, expressed in terms of Band D equivalent properties.
3. Based on the final information on funding and assuming a council tax requirement of **£277,733,607** as shown in the proposed Medium Term Financial Plan (Section 2.2) the calculation of the Band D Council Tax for 2014/15 is as follows:

Council Tax Calculation 2014/15

	£m
County Council net expenditure after specific grants	430.283
Less: Revenue Support Grant	-80.623
Business Rates Top Up	-36.390
Non-Domestic Rating Income	-28.607
Collection Fund Adjustments	-6.929
Council Tax Requirement (R)	277.734
Council Tax Base (assuming losses on collection) (T)	229,834
Band D Council Tax (R/T)	£1,208.41

The calculation of the council tax for the other bands is shown below in Table 1. Table 2 analyses the tax base over each district council area and allocates the estimated County Council precept to each area relative to their tax base.

Table 1

Council Tax by Property Band for Oxfordshire County Council

Assuming a Band D council tax of £1,208.41, the council tax for other bands is as follows:

Property Band	Property Values	Band D Proportion	2014/15 £ p
A	Up to £40,000	6/9	805.61
B	Over £40,000 and up to £52,000	7/9	939.87
C	Over £52,000 and up to £68,000	8/9	1,074.14
D	Over £68,000 and up to £88,000	9/9	1,208.41
E	Over £88,000 and up to £120,000	11/9	1,476.95
F	Over £120,000 and up to £160,000	13/9	1,745.48
G	Over £160,000 and up to £320,000	15/9	2,014.02
H	Over £320,000	18/9	2,416.82

Table 2

Allocation of Precept to Districts

The County Council precept (£277,733,607) is the sum of the council tax income required to fund the Council's budget.

District Council	RSG Tax Base Number	Assumed Precept Due
		£
Cherwell	47,609.00	57,531,191.69
Oxford City	41,752.50	50,454,138.53
South Oxfordshire	53,217.10	64,308,075.81
Vale of White Horse	46,640.50	56,360,846.61
West Oxfordshire	40,614.82	49,079,354.64
TOTAL	229,833.92	277,733,607.27

Formal approval is required under the council tax legislation for:

- The County Council's precept, allocated to district councils pro rata to their share of the council tax base for the County Council;
- The council tax figures for the County Council for a Band D equivalent property and a calculation of the equivalent council tax figure for all other bands.

The information must be given to district councils by 1 March 2014.

Treasury Management Strategy Statement & Annual Investment Strategy for 2014/15

1. Introduction

- 1.1. Treasury management is the management of the Council's cash flows, its banking, money market and capital transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks.
- 1.2. The treasury management strategy statement and the annual investment strategy for 2014/15 are set out below. This section complies with the requirements of legislation, codes and government guidance, including the technical requirement of the CIPFA treasury management code of practice. It sets out, amongst other things the investment strategy for the Council's temporary cashflow surpluses and the strategy for financing prudential borrowing.

2. Background

- 2.1 The Local Government Act 2003 and supporting regulations require the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 2.2 The Act requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act). The Annual Investment Strategy sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 2.3 Treasury management is defined as: "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."
- 2.4 The proposed strategy for 2014/15 in respect of the following aspects of the treasury management function is based upon the views of the Council's Treasury Management Strategy Team (TMST)¹, informed by market forecasts provided by the Council's treasury advisor, Arlingclose Limited. The strategy covers:
 - Treasury limits in force which limit the treasury risk and activities of the Council;
 - Treasury Management Prudential Indicators for 2014/15, 2015/16 and 2016/17;
 - the current treasury position;
 - prospects for interest rates;
 - the borrowing strategy;
 - the borrowing requirement and
 - the Annual Investment Strategy.

¹Comprising the Chief Finance Officer, Service Manager - Pensions, Insurance and Money Management, Principal Financial Manager – Treasury & Pension Fund Investments, and Financial Manager – Treasury Management.

- 2.5 It is a statutory requirement for the Council to produce a balanced budget and to calculate its council tax requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue caused by increased borrowing to finance additional capital expenditure, and any increases in running costs from new capital projects are limited to a level which is affordable within the projected income of the Council for the foreseeable future.
- 2.6 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. The code was adopted by Council on 1 April 2003. All treasury activity will comply with relevant statute, guidance and accounting standards.

3. Treasury Limits for 2014/15 to 2016/17

- 3.1 It is a statutory duty, under section 3 (1) of the Local Government Act 2003, for the Council to determine and keep under review the amount it can afford to borrow. This amount is termed the 'Affordable Borrowing Limit' and is equivalent to the 'Authorised Borrowing Limit' as specified in the Prudential Code.
- 3.2 The Authorised Borrowing Limit requires the Council to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon future council tax levels is 'acceptable'.
- 3.3 Whilst termed an "Affordable Borrowing Limit" within the Act, the capital plans to be considered for inclusion incorporates financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

4. Prudential Indicators for 2014/15 to 2016/17

- 4.1 The Prudential Code for Capital Finance in Local Authorities (2011) requires the Council to set and monitor against Prudential Indicators in the following categories:
- Affordability
 - Prudence
 - Capital Expenditure
 - External Debt
 - Treasury Management

Further Treasury Management indicators are specified in the Code of Practice on Treasury Management (2011).

4.2 Prudential Indicators are set out in full at Appendix A to this strategy:

- i. Gross debt and the Capital Financing Requirement
- ii. Estimates of Capital Expenditure
- iii. Ratio of Financing Costs to Net Revenue Stream
- iv. Capital Financing Requirement
- v. Incremental Impact of Capital Investment decisions
- vi. Authorised Limit and Operational Boundary for External Debt
- vii. Actual External Debt
- viii. Adoption of the CIPFA Treasury Management in the Public Services Code of Practice
- ix. Gross and net debt
- x. Upper and lower limits to maturity structure of fixed rate borrowing
- xi. Upper limits on fixed and variable rate interest exposures
- xii. Upper limit to total of principal sums invested longer than 364 days

4.3 Prudential Indicators are reported to and monitored by the TMST on a monthly basis and will be reported to the Audit & Governance Committee and Cabinet in the Treasury Management Outturn Report 2013/14 and the Treasury Management Mid-Term Review 2014/15, which will be considered in July and November 2014 respectively.

4.4 Council is recommended to approve the Prudential Indicators for 2014/15, 2015/16 and 2016/17 as set out in Appendix A.

5. Forecast Treasury Portfolio Position

5.1 The Council's treasury forecast portfolio position for the 2014/15 financial year comprises:

	Principal £m	Average Rate %
Opening External Debt Balance		
PWLB	351.383	4.62%
Money Market Loans	50.000	3.94%
TOTAL EXTERNAL DEBT	401.383	
<u>2014/15 Average Cash Balance</u>		
Average Monthly Cash Balance	250.000	
Average Monthly Externally Managed	50.000	
TOTAL INVESTMENTS	300.000	

6. Prospects for Interest Rates

Economic Background

- 6.1 The Bank of England's Monetary Policy Committee through its recent forward guidance is committed to keeping policy rates low for an extended period using the Labour Force Survey unemployment rate of 7% as a threshold for when it would consider whether or not to raise interest rates, subject to certain knock-outs. Unemployment fell to 7.4% in November 2013, faster than originally forecast by the Bank of England.
- 6.2 Stronger growth data in 2013 (0.5% in Q1, 0.8% in Q2 and 0.8% in Q3) alongside a pick-up in property prices mainly stoked by government initiatives to boost mortgage lending have led markets to price in an earlier rise in rates than forecast under Forward Guidance. However, with jobs growth picking up slowly, many employees working shorter hours than they would like and benefit cuts set to gather pace, growth is likely to only be gradual.
- 6.3 The credit risk of banking failures has diminished, but not disappeared altogether. Regulatory changes are underway in the UK, US and Europe to move away from bank bail-outs to bank resolution regimes in which shareholders, bond holders and unsecured creditors are 'bailed in' to participate in any recovery process. A recent example of this is the situation for holders of subordinated debt issued by the Co-op Bank which will suffer a haircut on its conversion bail-in to alternative securities and/or equity. There are also proposals for EU regulatory reforms to Money Market Funds which will, in all probability, result in these funds moving to a VNAV (variable net asset value) basis and losing their 'triple-A' credit rating wrapper. Diversification of investments between creditworthy counterparties to mitigate bail in risk will become even more important in the light of these developments.

Current Medium Term Financial Plan

- 6.4 The strategy for 2013/14 approved by Council in February 2013 set out forecast interest rates over the medium term. The forecast was for an average base rate of
- 2013/14 0.50%
 - 2014/15 0.50%
 - 2015/16 0.50%
 - 2016/17 0.50%

These interest rates were used as a basis for constructing the strategic measures budget for 2013/14 to 2016/17.

Arlingclose's View

- 6.5 The Council uses the services of Arlingclose Limited to provide investment advice to the Council, as part of this service they help the Council to formulate a view on interest rates.
- 6.6 Arlingclose's current view on interest rates is that the Bank Rate will remain at 0.5% for the duration of their medium term forecast to March 2017.
- 6.7 Arlingclose also provide upside and downside risks to their forecast and the upside risk given for base rate ranges from 0.25% in June 2014 to 1.00% in March 2017. No downside risks are presented as a further cut in base rate is seen as highly unlikely. This shows that the risks to a base rate change are highly skewed to the upside.
- 6.8 Arlingclose expect the 1 year LIBID² rate to rise from 0.90% to 1.40% over the same period, indicating that short-term borrowing will become marginally more expensive.²

Treasury Management Strategy Team's View

- 6.9 The Council's TMST, taking into account the advice from Arlingclose, and the current economic outlook, have determined the rates to be included in the Strategic Measures budget for 2014/15 and over the medium term. The Bank Rate forecasts set out below represent the average rate for the financial year:
- 2014/15 0.50%
 - 2015/16 0.50%
 - 2016/17 0.75%
 - 2017/18 1.00%
- 6.10 It is the view of the TMST that as rates achieved on deposits in the past have been over and above that of the Bank Rate that a return rate should also be budgeted for. The team has agreed that based on the current portfolio of deposits and market rates, the target return rate should be 0.30% higher than the average Bank Rate in 2014/15 and 2015/16, reducing to 0.05% above base rate in 2016/17, and at base rate in 2017/18. The reason for the reducing margin above base rate is that the portfolio includes some longer-term deposits which were arranged in previous financial years, when market rates for longer-term loans were higher than those currently available with similar counterparties. As existing long-term deposits arranged with higher margins mature, the average portfolio rate will reduce. These rates have been incorporated into the strategic measures budget estimates:
- 2014/15 0.80%
 - 2015/16 0.80%
 - 2016/17 0.80%
 - 2017/18 1.00%

² LIBID is the London Interbank Bid Rate which represents the rate at which a bank is willing to borrow from other banks.

7. Borrowing Strategy

Arlingclose's View

- 7.1 The Public Works Loan Board (PWLB) sets new borrowing rates at the gilt yield plus 1.00%. Arlingclose have forecast gilt yields as follows:
- The 50 year gilt yield is expected to start the financial year at 3.45%, increasing gradually to 4.15% by March 2017.
 - The 20 year gilt yield is expected to start the financial year at 3.25% rising to 4.15% by the end of the forecast in March 2017.
 - The 10 year gilt yield is expected to start the financial year at 2.55%, rising to 3.50% by March 2017.
 - The 5 year gilt yield is expected to start the financial year at 1.45% and to reach 2.50% by March 2017.
- 7.2 Arlingclose's forecasts have an upside variation range of between 50 and 100 basis points, and a downside variation range of between 50 and 80 basis points depending on the economic and political climate.

Treasury Management Strategy Team's View

- 7.3 It is expected that the Bank Rate will remain low during 2014/15 and that there will continue to be a high "cost of carry"³ associated with the long term borrowing compared to temporary investment returns. The TMST will continue to monitor the Council's debt portfolio and will consider debt repayment if it is in the Council's interest.
- 7.4 In April 2011 the Government replaced the 'credit approval' system for capital financing with direct provision of capital resources in the form of capital grant. This means that the Council only needs to borrow to finance prudential borrowing schemes. The Council's Capital Financing Strategy applies capital grants, developer contributions, capital receipts and revenue contributions to fund capital expenditure before using prudential borrowing. This means that the majority of the current capital programme is fully funded without the need to take up any new borrowing.
- 7.5 Financing the Council's borrowing requirement internally would reduce the cost of carry in the short term but there is a risk that the internal borrowing would need to be refinanced with external borrowing at a time when PWLB and market rates exceed those currently available. This could result in higher financing costs over the long term.

³ The difference between the interest payable on borrowing on debt and the interest receivable from investing surplus cash.

- 7.6 Internal borrowing is a short term financing solution as cash surpluses are temporary balances made up of creditors over debtors, earmarked reserves and capital reserves. As reserves are drawn down for their earmarked purpose internal borrowing will need to be replaced with external borrowing.
- 7.7 The Council's TMST have agreed that they should continue to have the option to fund new or replacement borrowing up to the value of 25% of the portfolio (currently approximately £75m) through internal borrowing. This will have the effect of reducing some of the "cost of carry" of funding. There are no plans for new external borrowing. Internal borrowing will also be used to finance prudential schemes.
- 7.8 If market conditions change during the 2014/15 financial year such that the policy to borrow internally is no longer in the short term or long term interests of the Council, the TMST will review the borrowing strategy and report any changes to Cabinet.
- 7.9 The Council's chief objective when borrowing money is to strike an appropriate balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board
- UK local authorities
- any institution approved for investments (see below)
- any other bank or building society authorised by the Prudential Regulation Authority to operate in the UK
- UK public and private sector pension funds
- capital market bond investors
- special purpose companies created to enable joint local authority bond issues.

Capital Financing Requirement

- 7.10 The Council's Capital Financing Requirement (CFR) represents the Council's underlying need to finance capital expenditure by borrowing. The CFR is the value of the Council's assets that have not been permanently financed, in other words, borrowing has been used to finance the spend. When capital expenditure is financed by grants, capital receipts or direct contributions from revenue this is not included the CFR.
- 7.11 The Council is required to make an annual contribution from revenue towards the repayment of debt termed the Minimum Revenue Provision (MRP). This contribution reduces the CFR and effectively provides the resource to permanently finance the capital expenditure and reduce the Council's borrowing requirement by that amount. The Council's MRP Policy Statement sets out the methodology that the Council applies in its MRP calculation. The statement is agreed by Council each year in February alongside the budget and capital programme and is included at Appendix B. Council is recommended to approve the policy.

- 7.12 Under the Prudential Code, the Council must ensure that gross external borrowing does not, except in the short term, exceed the sum of the CFR in the previous year plus estimates of any increases to the CFR for the current and next two financial years. Where the gross debt is greater than the CFR the reasons for this should be clearly stated in the annual treasury management strategy. The Council's current position is set out below.
- 7.13 The Council's CFR is currently forecast to reduce over the medium term financial plan. This is because the MRP over the medium term is forecast to be higher than the level of prudential borrowing included in the Capital Programme.
- 7.14 The Council's external debt is also forecast to reduce over the medium term financial plan as existing long term debt is repaid upon maturity. However, the maturity profile of the existing debt portfolio is such that the CFR will fall at a greater speed than the level of external debt and will result in gross external borrowing exceeding the CFR.
- 7.15 This position is a direct result of the change in capital funding in April 2011 from credit approval to grant funding. Under the credit approval scheme the Council's CFR would have continued to increase as a result of the Capital Programme. The existing debt portfolio was constructed based on this assumption.

Borrowing Instruments

- 7.16 The TMST's forecast for 50 year PWLB rates over the medium term are 4.0% p.a. for 2014/15 – 2017/18. This rate does not impact on the strategic measures budget because it is anticipated that no additional external borrowing will be arranged over the medium-term.
- 7.17 In November 2012 the PWLB introduced the Certainty Rate which allows eligible Councils to borrow at a discounted rate of 0.20% below the advertised borrowing rate. Eligibility is established by the submission of an annual application form to the Department of Communities and Local Government. The Council has successfully applied and qualified for the rate for the period from 1 November 2013 to 31 October 2014.
- 7.18 Although the short to medium-term capital financing strategy is to borrow from internal balances, an annual application will be made to renew eligibility for the Certainty Rate, in order to maintain the option should it be required.
- 7.19 The Council has historically set a maximum limit of 20% of the debt portfolio to be borrowed in the form of Lender's Option Borrower's Option (LOBOs). It is recommended that this remain as the limit for 2014/15. As at 30 November 2013, LOBOs represent 12.30% of the total external debt.
- 7.20 The Council has three £5m LOBO's with call options in 2014/15. Two have call options in April 2014 and October 2014, and the other has call options in July 2014 and January 2015. At each call date the lender may choose to exercise their option to change the interest rate payable on the loan. If the lender chooses

to do so, the Council will evaluate alternative financing options before deciding whether or not to exercise the borrower's option to repay the loan or to accept the new rate offered. It is likely that if the rate is changed the debt will be repaid.

8. Annual Investment Strategy

- 8.1 The Council has regard to the Office of the Deputy Prime Minister's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). It also has regard to the subsequent Communities and Local Government update to the Investment Guidance, Capital Finance Regulations and Minimum Revenue Provision Guidance issued in April 2010. The Council's investment priorities are:-
- The security of capital and
 - The liquidity of its investments
- 8.2 The Council also aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The borrowing of monies purely to invest or on-lend and make a return is unlawful and the Council will not engage in such activity.
- 8.3 The Treasury Management Code of Practice requires the Council to approve a Treasury Management Policy Statement. Good practice requires that this statement is regularly reviewed and revised as appropriate. The Treasury Management Policy Statement is included at Appendix E. Council is recommended to approve the Treasury Management Policy Statement.

Investment Instruments

- 8.4 Investment instruments identified for use in the 2014/15 financial year are set out at Appendices C and D under the 'Specified' and 'Non-Specified' Investment categories.
- 8.5 Guidance states that specified investments are those requiring "minimal procedural formalities". The placing of cash on deposit with banks and building societies 'awarded high credit ratings by a credit rating agency', the use of AAA rated Money Market Funds (MMFs) and investments with the UK Government and local authorities qualify as falling under this phrase as they form a normal part of day to day treasury management.
- 8.6 Money market funds (MMFs) will be utilised, but good treasury management practice prevails and whilst MMFs provide good diversification the council will also seek to diversify any exposure by using more than one MMF where practical. It should be noted that while exposure will be limited, the use of MMFs does give the council exposure to institutions that may not be included on the approved lending list for direct deposits. This is deemed to be an acceptable risk due to the benefits of diversification. The Treasury team intend to use an online portal to provide details of underlying holdings in MMFs. This will enable more effective and regular monitoring of full counterparty risk.

- 8.7 All specified investments will be sterling denominated, with maturities up to a maximum of 1 year, meeting the 'high' credit rating criteria where applicable.
- 8.8 Non specified investment products are those which take on greater risk. They are subject to greater scrutiny and should therefore be subject to more rigorous justification and agreement of their use in the Annual Investment Strategy; this applies regardless of whether they are under one year investments and have high credit ratings.
- 8.9 A maximum of 50% of the portfolio will be held in non-specified investments.

Credit Quality

- 8.10 The updated CIPFA Code of Practice on Treasury Management (2011) recommends that Councils have regard to the ratings issued by the three major credit rating agencies (Fitch, Moody's and Standard & Poor's) and to make decisions based on all ratings.
- 8.11 Whilst the Council will have regard to the ratings provided by all three ratings agencies, the Council uses Fitch ratings as the basis by which to set its minimum credit criteria for deposits and to derive its maximum counterparty limits. Counterparty limits and maturity limits are derived from the credit rating matrix as set out in the tables at paragraphs 8.22 and 8.23 respectively.
- 8.12 The TMST may further reduce the derived limits due to the ratings provided by Moody's and Standard & Poor's or as a result of monitoring additional indicators such as Credit Default Swap rates, share prices, Ratings Watch & Outlook notices from credit rating agencies and quality Financial Media sources.
- 8.13 Notification of any rating changes (or ratings watch and outlook notifications) by all three ratings agencies are monitored daily by a member of the Treasury Management Team. Updates are also provided by the Council's Treasury Management advisors Arlingclose and reported to TMST.
- 8.14 Where a change in the Fitch credit rating places a counterparty on the approved lending list outside the credit matrix (as set out in tables at paragraphs 8.22 and 8.23), that counterparty will be immediately removed from the lending list.
- 8.15 Where a counterparty has been placed on Negative Watch or Outlook by any of three major credit rating agencies the counterparty's status on the approved lending list will be reviewed by the TMST and appropriate action taken.
- 8.16 The Authority defines "high credit quality" organisations as those having a credit rating of A- or higher that are domiciled in the UK or a foreign country with a sovereign rating of AA+ or higher with the Fitch ratings agency.

Liquidity Management

8.17 The Council has developed a cash flow forecast which is used to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a pessimistic basis, with receipts under-estimated and payments over-estimated to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council's medium term financial plan and cash flow forecast. The Council uses instant access bank deposit accounts and pooled funds for balances forecast to be required at short notice to meet commitments due. Interest rates on some instant access accounts have fallen in 2013/14. The TMST will continue to monitor options available to maintain the required liquidity, and will open new accounts with approved counterparties as appropriate.

Lending Limits

8.18 In addition to the limits determined by the credit quality of institutions, the TMST apply further limits to mitigate risk by diversification. These include:

- Limiting the amount lent to banks in any one country (excluding the UK) to a maximum of 20% of the investment portfolio.
- Limiting the amount lent to any bank, or banks within the same group structure to 10% of the investment portfolio.

8.19 Where the Council has deposits on instant access, this balance may temporarily exceed the 10% bank or group limit. However the limits as set out in paragraphs 8.22 and 8.23 will still apply.

8.20 Counterparty limits as set out in paragraphs 8.22 and 8.23, may be temporarily exceeded by the accrual and application of interest amounts onto accounts such as call accounts and money market funds. Where the application of interest causes the balance with a counterparty to exceed the agreed limits, the balance will be reduced when appropriate, dependent upon the terms and conditions of the account and cashflow forecast.

8.21 Any changes to the approved lending list will be reported to Cabinet as part of the Financial Monitoring and Business Strategy Delivery Report.

8.22 The Council also manages its credit risk by setting counterparty limits. The matrix below sets out the maximum proposed limits for 2014/15. The TMST may further restrict lending limits dependent upon prevailing market conditions.

	Short Term Rating	
Long Term Rating	F1+	F1
AAA	£30m	£20m
AA+	£30m	£20m

AA	£25m	£15m
AA-	£25m	£15m
A+	£20m	£15m
A	£20m	£15m
A-	£15m	£10m

8.23 The Council also manages its counterparty risk by setting maturity limits on deposits, restricting longer term lending to the very highest rated counterparties. The table below sets out the maximum approved limits. The TMST may further restrict lending criteria in response to changing market conditions.

	Short Term Rating	
Long Term Rating	F1+	F1
AAA	3 years	364 days
AA+	2 years	364 days
AA	2 years	9 months
AA-	2 years	9 months
A+	364 days	9 months
A	9 months	6 months
A-	6 months	3 months

Other institutions included on the councils lending list

8.24 In addition to highly credit rated banks and building societies the authority may also place deposits with:-

- AAA rated Money Market funds,
- Collective Investment Schemes
- Local authorities.

Structured Products

8.25 As at 30 November 2013, the Council had £15m of structured products within its investment portfolio. Structured products involve varying degrees of additional risk over fixed rate deposits, with the potential for higher returns. It is recommended that the authority continue to use structured products up to a maximum of 10% of the investment portfolio. The Council will continue to monitor structured products and consider restructuring opportunities as appropriate.

9. External Funds

9.1 As at 30 November 2013, the Council had £38.6m invested in external funds (excluding MMFs). These funds have a variable net asset value which means that the value of the funds can decrease as well as increase depending on the performance of the instruments in the fund.

- 9.2 The Council uses external fund managers and pooled funds to diversify the investment portfolio through the use of different investment instruments, investment in different markets, and exposure to a range of counterparties. It is expected that these funds should outperform the Council's in-house investment performance over a rolling three year period. The Council will have no more than 20% of the total portfolio (currently around £60m) invested with external fund managers and pooled funds (excluding MMFs). This allows the Council to achieve diversification while limiting the exposure to funds with a variable net asset value.
- 9.3 The performance of the pooled funds is monitored by the TMST throughout the year against the funds' benchmarks and the in-house investment returns.
- 9.4 The TMST will keep the external fund investments under review and consider alternative instruments and fund structures, to manage overall portfolio risk. It is recommended that authority to withdraw, or advance additional funds to/from external fund managers, continue to be delegated to the TMST.

10. Investment Approach

- 10.1 The weighted average maturity (WAM) of in-house deposits as at 30 November 2013 was 283 days. This is made up of £23.2m of instant access balances with a maturity of 1 day, and £309.4m of deposits with a WAM of 304 days.
- 10.2 During 2013/14 the Treasury Management team has maintained a relatively high WAM through long-term lending to Local Authorities. This gives a greater degree of certainty for investment returns in an environment of falling or stagnating interest rates. The portfolio was diversified using instant access MMFs and short term deposits with high credit quality financial institutions.
- 10.3 With the prospect of interest rates remaining low for an extended period, the TMST will aim to maintain the balance between longer-term deposits with high credit quality local authorities and short-term and instant access deposits with MMFs and high credit quality banks. This will continue to provide certainty about the investment returns for a proportion of the portfolio and protect against the downside risk of changes in the interest rates while also enabling the Treasury Management team to respond to upside interest rate risk.
- 10.4 The Council is finalising the opening of a custodian account to enable the Treasury team to invest directly in UK Government Gilts, T-bills, Certificates of Deposits and other Sovereign Bonds. If availability of acceptable credit worthy institutions is reduced, the Council may use the Debt Management Office Deposit Facility and will continue to prioritise security and liquidity of assets over investment returns.
- 10.5 Given the on-going turmoil in the banking sector, it is proposed that any further changes required to the Annual Treasury Management Strategy & Annual Investment Strategy, continue to be delegated to the Chief Finance Officer in consultation with the Leader of the Council and Cabinet Member for Finance.

11. Policy on Use of Financial Derivatives

- 11.1 Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in Section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The CIPFA Code (2011) requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.
- 11.2 The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 11.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.
- 11.4 It is the view of the TMST that the use of standalone financial derivatives will not be required for Treasury Management purposes during 2014/15. The Council will only use derivatives after seeking expertise, a legal opinion and ensuring officers have the appropriate training for their use.

12. Performance Monitoring

- 12.1 The Council will monitor its Treasury Management performance against other authorities through its membership of the CIPFA Treasury Management benchmarking club.
- 12.2 Arlingclose benchmark the performance of their clients against each other on a quarterly looking at a variety of indicators including investment risk and returns.
- 12.3 The Council will benchmark its internal return against 3 month LIBID.
- 12.4 Latest performance figures will be reported to the Audit & Governance Committee and Cabinet in the Treasury Management Outturn Report 2013/14, and the Treasury Management Mid-Term Review 2014/15, which will be considered in July and November 2014 respectively.

13. Investment Training

13.1 All members of the Treasury Management Strategy team are members of a professional accounting body. In addition, key Treasury Management officers receive in-house and externally provided training as deemed appropriate and training needs are regularly reviewed, including as part of the staff appraisal process.

14. Treasury Management Advisors

14.1 Following a competitive procurement process earlier this year Arlingclose was awarded the Council's Treasury Management Advisory Service contract. The new contract runs for a period of three years. Under the contract the Council will receive specific advice on investment, debt and capital finance issues.

15. Recommendations

14.1 The recommendations that Council are required to approve are set out in the covering report.

Prudential Indicators 2014/15, 2015/16 and 2016/17

i. Gross Debt and the Capital Financing Requirement

- i.i. This is a key indicator of prudence. In order to ensure that the medium term debt will only be for a capital purpose, the local authority should ensure that the gross debt does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.
- i.ii. The Chief Finance Officer reports that the Council's level of gross debt exceeded the CFR in 2012/13 and is expected to do so over the medium term. The reasons for this are set out in paragraphs 7.12 to 7.15 of the Treasury Management Strategy. This view takes into account current commitments, existing plans and the proposals in the approved budget.

Debt	31.03.14 Revised £m	31.03.15 Estimate £m	31.03.16 Estimate £m	31.03.17 Estimate £m
External Borrowing	401.383	399.383	393.383	385.383
Long Term Liabilities	26.464	25.656	24.791	23.870
Total Debt	427.847	425.039	418.174	409.253

ii. Estimates of Capital Expenditure

- ii.i. The Council is required to make reasonable estimates of the total of capital expenditure that it plans to incur during 2014/15 and the following two financial years. The Council must also approve the actual expenditure for 2012/13 and revised expenditure for 2013/14.

	2012/13 Actual £m	2013/14 Revised £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m
Capital Expenditure	51.497	67.589	107.029	84.426	81.718

	Actual 2012/13 £m	Estimates			
		2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
SCE(R) Supported Borrowing	0.000	0.000	0.000	0.000	0.000
Prudential Borrowing	0.757	1.872	12.477	12.203	21.785
Grants and Contributions	44.468	64.440	93.422	54.179	53.655
Capital Receipts	0.000	0.000	0.000	17.059	5.998
Revenue	6.272	1.277	1.130	0.985	0.280
Reserves	0.000	0.000	0.000	0.000	0.000
	51.497	67.589	107.029	84.426	81.718

- ii.ii. The indicators have been based on the February 2014 capital programme which will be considered for approval by Council on 18 February 2014 with the Service & Resource Planning Report.
- ii.iii. The capital expenditure figures for beyond 2014/15 will be able to be revised in twelve months' time.

iii. The Ratio of Financing Costs to the Net Revenue Stream

- iii.i. This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet financing costs. The definition of financing costs is set out in the Prudential Code.

Year	Actual/ Estimate	Financing Cost £m	Net Revenue Stream £m	Ratio %
2012/13	Actual	37.059	460.630	8.05
2013/14	Estimate	34.482	447.763	7.70
2014/15	Estimate	33.455	445.567	7.51
2015/16	Estimate	33.288	429.736	7.75
2016/17	Estimate	33.247	431.711	7.70

- iii.ii. Financing costs include interest payable on borrowing, interest and investment income and the amount required for the minimum revenue provision.

iv. The Capital Financing Requirement

- iv.i Estimates of the end of year Capital Financing Requirement for the Authority for the current and future years and the actual Capital Financing Requirement at 31 March 2013 that are recommended for approval are:

Year	Actual/Estimate	£m
2012/13	Actual	438.761
2013/14	Estimate	423.931
2014/15	Estimate	420.249
2015/16	Estimate	416.386
2016/17	Estimate	422.183

- iv.ii The Capital Financing Requirement measures the authority's underlying need to borrow for a capital purpose. In accordance with best professional practice the County Council does not associate borrowing with particular items or types of expenditure. The authority has an integrated Treasury Management Strategy and has adopted the CIPFA Code of Practice for Treasury Management in the Public Services. The Council has, at any point in time, a number of cashflows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices. In day-to-day cash management, no distinction can be made between revenue cash and capital cash. External borrowing arises as a consequence of all the financial transactions of the authority and not simply those arising from capital spending. In contrast, the capital financing requirement reflects the authority's underlying need to borrow for a capital purpose.

v. The Incremental Impact of Capital Investment Decisions

- v.i This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.
- v.ii The estimate of the incremental impact of capital investment decisions proposed in the Capital Programme, over and above capital investment decisions that have previously been taken by the Council are, for the Band D Council Tax:

Year	Actual/Estimate	£
2014/15	Estimate	-6.91
2015/16	Estimate	-5.83
2016/17	Estimate	-3.69

vi. Authorised Limit and Operational Boundary for External Debt

- vi.i. The Authority has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Authority and not just those arising from capital spending reflected in the CFR.
- vi.ii. The Authorised Limit sets the maximum level of external debt on a gross basis (i.e. excluding investments) for the Authority. It is measured on a daily basis against all external debt items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Authority's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.
- vi.iii. The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).
- vi.iv. The Operational Boundary has been set on the estimate of the most likely, i.e. prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.
- vi.v. The Operational Boundary links directly to the Authority's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

	2013/14 probable outturn	2014/15 estimate	2015/16 estimate	2016/17 estimate
	£m	£m	£m	£m
Operational Boundary for external debt -				
Borrowing	435.0	434.0	444.0	451.0
other long term liabilities	40.0	40.0	40.0	40.0
TOTAL	475.0	474.0	484.0	491.0
Authorised Limit for external debt -				
Borrowing	445.0	444.0	454.0	461.0
other long term liabilities	40.0	40.0	40.0	40.0
TOTAL	485.0	484.0	504.0	514.0

vii. Actual External Debt

vii.i This indicator enables the comparison of Actual External Debt at year end to the Operational Boundary and Authorised Limit.

Total External Debt as at 31.03.13	£m
External Borrowing	412.383
Financing Liability	27.282
Total	439.665

viii. Adoption of the CIPFA Treasury Management in the Public Services Code of Practice

viii.i This indicator demonstrates that the Council has adopted the principles of best practice.

viii.ii The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices.

Adoption of the CIPFA Code of Practice in Treasury Management
The Council approved the adoption of the CIPFA Treasury Management Code at its meeting of Full Council on 1 April 2003.

ix. Gross and net debt

ix.i This indicator is intended to identify where an authority may be borrowing in advance of need.

Upper Limit of net debt:

	2013/14	2014/15	2015/16	2016/17
Net Debt / Gross Debt	70%	70%	70%	70%

x. Upper and lower limits to maturity structure of fixed rate borrowing

x.i. This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

x.ii. It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

x.iii. LOBOs are classified as maturing on the next call date, this being the earliest date that the lender can require repayment.

Maturity structure of fixed rate borrowing during 2014/15	Lower Limit %	Upper Limit %
Under 12 months	0	20
12 months and within 24 months	0	25
24 months and within 5 years	0	35
5 years and within 10 years	5	40
10 years and above	50	95

xi. Upper limits on fixed and variable rate interest exposures

xi.i These indicators allow the Authority to manage the extent to which it is exposed to changes in interest rates. This Authority calculates these limits on net principal outstanding sums, (i.e. fixed rate debt net of fixed rate investments).

Upper limit for fixed interest rate exposure:

	2013/14	2014/15	2015/16	2016/17
Net principal re fixed rate borrowing / investments	150%	150%	150%	150%

xi.ii The upper limit for variable rate exposure has been set to ensure that the Authority is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

Upper limit for variable rate exposure:

	2013/14	2014/15	2015/16	2016/17
Net principal re variable rate borrowing / investments	25%	25%	25%	25%

xii. Upper limit to total of principal sums invested longer than 364 days

xii.i The purpose of this limit is to contain exposure to the risk of loss that may arise as a result of the Authority having to seek early repayment of the sums invested.

xii.ii It is proposed that the limit is increased by £50m in 2014/15 to reflect the increase in the size of the cash portfolio over recent years and to enable greater flexibility in the investment strategy given the low interest rate environment. The average in-house cash balance increased from just over £200m in 2009/10 to just over £300m in 2012/13.

	2013/14 £m	2014/15 £m	2015/16 £m	2016/17 £m
Upper limit on principal sums invested longer than 364 days	100	150	150	150

Appendix B**Minimum Revenue Provision Policy Statement for 2014/15****Introduction**

1. The Council is required by statute to charge a Minimum Revenue Provision (MRP) to the General Fund Revenue account each year for the repayment of debt. The MRP charge is the means by which capital expenditure which has been funded by borrowing is paid for by council tax payers.
2. Until 2007/08, the basis of the calculation for the MRP was specified in legislation. Legislation (Statutory Instrument 2008 no. 414 s4) which came into force on 31 March 2008, gives local authorities more freedom to determine what a prudent level of MRP is.
3. The new legislation requires local authorities to draw up a statement of their policy on the annual MRP, for full approval by Council before the start of the financial year to which the provision will relate.
4. The implementation of the International Financial Reporting Standards (IFRS) requirements brought some service concession arrangements on balance sheet and resulted in some leases being reclassified as finance leases instead of operating leases. Part of the service charge or rent payable is taken to reduce the balance sheet liability rather than being charged to revenue accounts. To ensure that this does not result in a one-off increase in the capital financing requirement and in revenue account balances, an amount equal to the amount that has been taken to the balance sheet is included in the annual MRP charge.

Options for Prudent Provision

5. Guidance on the legislation sets out a number of options for making 'prudent provision'. Options 1 and 2 relate to Government supported borrowing. Options 3 and 4 relate to new borrowing under the Prudential system for which no Government support is being given and is therefore self-financed. Authorities are able to use any of the four options for MRP. The options are explained below.

Option 1 - Regulatory Method

6. This is the current method, and for debt supported by Revenue Support Grant (RSG), authorities can choose to continue to use the formula. This is calculated as 4% of the council's general fund capital financing requirement, adjusted for smoothing factors from the transition to the prudential capital financing regime in 2003.

Option 2 – Capital Financing Requirement (CFR) Method

7. Option 2 differs from Option 1 only in that the smoothing factors are removed. This is a simpler calculation; however for most authorities including Oxfordshire, it would result in a higher level of provision than Option 1.

Option 3 – Asset Life Method

8. For new borrowing under the Prudential system, Option 3 is to make provision in equal instalments over the estimated life of the asset for which the borrowing is undertaken or the alternative is the annuity method which has the advantage of linking MRP the flow of benefits from an asset where the benefits are expected to increase in later years. As with the existing scheme of MRP, provision for the debt will normally commence in the financial year following the one in which the expenditure is incurred. There is however one exception to this rule under Option 3. In the case of the construction of a new building or infrastructure, MRP would not have to be charged until the new asset came into service. The MRP 'holiday' would perhaps be two or three years in the case of major projects and could make them more affordable.

Option 4 – Depreciation Method

9. For new borrowing under the Prudential system, Option 4 is to make MRP in accordance with the standard rules for depreciation accounting.

MRP Methodology Statement

10. The policy already in place in the Council is reflected in Options 1 and 3; consequently the statement requiring approval by Council is a confirmation of existing practice and continuation of the policy approved by Council in June 2008. The Council is recommended therefore to approve the following statement:
11. For capital expenditure incurred before 1 April 2008 or which in the future will relate to Supported Capital Expenditure, the MRP policy will be based on existing regulations (Option 1 – Regulatory Method).
12. From 1 April 2008, for all unsupported borrowing, the MRP policy will be based on the estimated life of the assets for which the borrowing is undertaken (Option 3 – Asset Life Method or Annuity Method).
13. In the case of finance leases and on-balance sheet Private Finance Initiative (PFI) type contracts, the MRP requirement will be regarded as being met by a charge equal to the element of the rent/charge that goes to write-down the balance sheet liability, including the retrospective element in the first year (Option 3 in modified form).

14. The major proportion of the MRP for 2012/13 will relate to the more historic debt liability that will continue to be charged at the rate of 4%, in accordance with Option 1 of the guidance. Certain expenditure reflected within the debt liability at 31 March 2013 will be subject to MRP under Option 3, which will be charged over a period which is reasonably commensurate with the estimated useful life applicable to the nature of expenditure, using the equal annual instalment method. For example, capital expenditure on a new building, or on the refurbishment or enhancement of a building, will be related to the estimated life of that building.

Appendix C

Specified Investments

Investment Instrument	Minimum Credit Criteria	Use
Debt Management Agency Deposit Facility	N/A	In-house and Fund Managers
Term Deposits – UK Government	N/A	In-house
Term Deposits – Banks and Building Societies	Fitch short-term F1, Long-term A-, Minimum Sovereign Rating AA	In-house and Fund Managers
Term Deposits with Nationalised Banks with Government Guarantee for wholesale deposits	N/A	In-house
Term Deposits with Part Nationalised banks by the UK Government	N/A	In-house
Certificates of Deposit issued by Banks and Building Societies	A1 or P1	In-house on a buy and hold basis and Fund Managers
Money Market Funds with a Constant Net Asset Value	AAA	In-house and Fund Managers
Other Money Market Funds and Collective Investment Schemes ⁴	Minimum equivalent credit rating of A+. These funds do not have short-term or support ratings.	In-house and Fund Managers
UK Government Gilts	AAA	In-house on a buy and hold basis and Fund Managers
Treasury Bills	N/A	In-house and Fund Managers

⁴ I.e., credit rated funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

Appendix D

Non-Specified Investments

Investment Instrument	Minimum Credit Criteria	Use	Max % of total Investments	Max Maturity Period
Debt Management Agency Deposit Facility (maturities in excess of 1 year) ⁵	N/A	In-house and Fund Managers	50%	3 years
Term Deposits – UK Government (maturities in excess of 1 year)	N/A	In-house	50%	3 years
Term Deposits – other Local Authorities (maturities in excess of 1 year)	N/A	In-house	50%	3 years
Term Deposits – Banks and Building Societies (maturities in excess of 1 year)	Fitch short-term F1+, Long-term AA-	In-house and Fund Managers	50% in-house; 100% External Funds	3 years
Structured Products (eg. Callable deposits, range accruals, snowballs, escalators etc)	Fitch short-term F1+, Long-term AA-	In-house and Fund Managers	50% in-house; 100% External Funds	3 years
UK Government Gilts with maturities in excess of 1 year	AAA	In-house on a buy and hold basis. Fund Managers	50% in-house; 100% External Funds	5 years in-house, 10 years fund managers

⁵ Debt Management Agency Deposit Facility currently limit deposits to 6 months. The ability to deposit in excess of 1 year is retained if such deposits become available.

Investment Instrument	Minimum Credit Criteria	Use	Max % of total Investments	Max Maturity Period
Bonds issued by Multilateral development banks	AAA	In-house on a buy and hold basis and Fund Managers	50% in-house; 100% External Fund	5 years in-house, 10 years fund managers
Bonds issued by a financial institution which is guaranteed by the UK Government	AAA	In-house on a buy and hold basis. Fund Managers	50% in-house; 100% External Fund	5 years in-house, 10 years fund managers
Supranationals	N/A	In-house. Fund Managers	50% in-house; 100% of External Fund	5 years in-house, 30 years fund managers
Money Market Funds and Collective Investment Schemes ⁶ but which are not credit rated	N/A	In-house and Fund Managers	50% In-house; 100% External Funds	Pooled Funds do not have a defined maturity date
Sovereign Bond Issues	AAA	In-house on a buy and hold basis. Fund Managers	50% in-house; 100% External Funds	5 year in-house, 30 years fund managers

The maximum limits for in-house investments apply at the time of arrangement.

⁶ Pooled funds which meet the definition of a collective investment scheme as defined in SI 2004 No 534 and SI 2007 No 573.

Appendix E

**TREASURY MANAGEMENT POLICY STATEMENT**

1. Oxfordshire County Council defines its treasury management activities as:
“The management of the organisation’s cash flows; its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”
2. Oxfordshire County Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
3. Oxfordshire County Council acknowledges that effective treasury management will provide support towards achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management and to employing suitable performance measurement techniques, within the context of effective risk management.
4. The Council's borrowing will be affordable, sustainable and prudent and consideration will be given to the management of interest rate risk and refinancing risk. The source from which the borrowing is taken and the type of borrowing should allow the Council transparency and control over its debt.
5. The Council's primary objective in relation to investments remains the security of capital. The liquidity or accessibility of the Authority's investments followed by the yield earned on investments remain important but are secondary considerations.
6. The manner in which Oxfordshire County Council will seek to achieve these objectives and the arrangements for managing and controlling treasury management activities is prescribed in the treasury management practices which support this policy statement.
7. Responsibility for the implementation and monitoring of the Council's treasury management policies and practices are vested in the Council. The officer responsible for the execution and administration of treasury management decisions is the Chief Finance Officer, who will act in accordance with this Policy Statement, Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.
8. The Council nominates the Audit & Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
9. Council will receive reports on treasury management policies, practices and activities including as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close.

Balances and Reserves

1. The financial strategy states that balances will be maintained at a level commensurate with identified risks, based on an annual risk assessment, subject to a minimum of 2.5% of gross expenditure (excluding schools). The risk assessment for 2014/15 is set out at section 2.7.1.
2. The latest financial monitoring report shows the 2013/14 forecast position on balances at the end of December 2013 as £17.4m. In 2014/15 there is a budgeted contribution of £1.0m to balances, taking the estimated year-end balance to £18.4m for 2014/15 and over the medium term as set out in section 2.7.2.
3. The Council's reserves have been reviewed as part of the service and resource planning process. The summary of the planned use of reserves over the medium term set out in section 2.7.2 shows the forecast falling from £103.0m at the start of 2014/15 to £12.6m by the end of 2017/18, of which £5.7m relates to schools.

2014/15 risk assessment for determining appropriate level of balances

Area of risk	Explanation of risk/justification of balances	£m
Emergencies	Expenditure below Bellwin Scheme threshold	1.5
Inflation	Contract inflation is 0.5% above what has been provided for within the budget (maximum 3%)	0.7
Directorate overspends and non-achievement of planned savings	Risk that directorates will overspend due to unforeseen pressures, demography, demand or non-achievement of planned savings (based on a 1% adverse variance)	4.1
Education Services Grant	Impact on grant if pupil numbers in maintained schools are 5% lower than estimated due to higher rate of academy conversions than expected	0.3
Business rates	5% adverse variation to District Councils' estimates, due to inaccuracy or under estimation of successful appeals	1.4
Contingent liabilities	Possible liabilities for which no provision has been made or funding set aside in an earmarked reserve (1% of gross expenditure or minimum to meet quantified contingent liabilities)	5.9
Major contracts	Risk of contractors failing, mis-specification or non-delivery (1% of annual value of contracts)	2.8
Total		16.7

Estimated Balances and Reserves 2014/15 to 2017/18

The table below provides an analysis of estimated general balances and earmarked reserves for 2014/15 to 2017/18

	2014/15 £000	2015/16 £000	2016/17 £000	2017/18 £000
General Balances				
Estimated Balances at start of year	17,409	18,409	18,409	18,409
Planned Contributions to Balances to meet required level of balances in MTFP	3,000	2,000	2,000	2,000
Budgeted Change in Balances	3,000	2,000	2,000	2,000
Total Balances at Start of Year	20,409	20,409	20,409	20,409
Estimated Use of Balances in Year	-2,000	-2,000	-2,000	-2,000
Estimated Repayment of Previous Use of Balances	0	0	0	0
Net Use of Balances	-2,000	-2,000	-2,000	-2,000
Estimated Balances at end of year	18,409	18,409	18,409	18,409
Earmarked Reserves				
Estimated School Reserves at start of year	20,664	16,073	5,746	5,746
Estimated Reserves at start of year	82,297	47,557	35,902	23,329
Estimated Total Reserves at start of year	102,961	63,630	41,648	29,075
Estimated Use of (-) / Additions to (+) School Reserves in Year	-4,591	-10,327	0	0
Estimated Use of (-) / Additions to (+) Reserves in Year	-34,740	-11,655	-12,573	-16,464
Estimated School Reserves at end of year	16,073	5,746	5,746	5,746
Estimated Reserves at end of year	47,557	35,902	23,329	6,865
Estimated Total Reserves at end of year	63,630	41,648	29,075	12,611

Provisional 2014/15 Dedicated Schools Grant allocation

	Early Years Block	Schools Block	High Needs Block	Total DSG
	£000	£000	£000	£000
2014-15 Initial Baseline	27,624	333,098	44,008	404,730
2014-15 Post 16 High Needs in Schools			636	636
2014-15 post 16 Post schools (top up)			3,388	3,388
Non Maintained Special Schools Grant share			36	36
Additional Allocations 2014-15:				
Funding for disadvantaged 2 year olds	5,653			5,653
Newly Qualified Teacher (NQT) Induction / Quality Assurance		117	1	118
Less: Carbon Reduction scheme deduction		-558	-30	-588
Total Initial DSG 2014-15 per DfE	33,277	332,657	48,039	413,973
Transfer from Schools to Early Years block re premises (agreed by Schools Forum)	432	-432		0
Provisional Funding Block Totals 2014-15	33,709	332,225	48,039	413,973

Virement Rules 2014/15

Introduction

1. Under the Constitution the Council is required to specify the extent of virement within the approved budget which may be undertaken by the Cabinet. Any other changes to the budget are reserved to the Council, other than any changes necessary to ensure compliance with the law, ministerial direction or government guidance.
2. Virement for these purposes is taken to include:
 - the transfer of net budget provision between budget heads as set out in the budget approved by Council;
 - changes to gross income and gross expenditure¹;
 - the transfer of funds from balances by way of a supplementary estimate.
3. Temporary virements only affect the current financial year. Permanent virements affect the current financial year and all future financial years.

Virements requiring Council approval

4. Council agree the budget for the forthcoming financial year in February each year. The approval of Council is required for any subsequent virement which:
 - a) Is a permanent virement and involves a major change in policy²; or
 - b) Involves the one-off transfer of funds of £500,000 or more between revenue and capital budgets; or
 - c) Is a temporary virement, involves a major change in policy and is for £500,000 or more; or
 - d) Where in the opinion of the Chief Finance Officer a Council decision is required.

The Chief Finance Officer must consider if virements involve a major change in policy.

5. These provisions are reviewed annually as part of the budget setting process.

Virements for which the Cabinet is responsible

6. Virements that are not the responsibility of the Council become the Cabinet's responsibility. Cabinet must consider:

¹ The net effect of these changes is nil but the effect on expenditure and income is subject to approval as set out in these rules.

² Each plan and/or strategy is agreed by Council and comprised in the policy framework. As set out in the Constitution Article 4, paragraph 2 and Part 3.2 of the Constitution.

- a) The remaining one-off virements that transfer funds between revenue and capital budgets and have a value of less than £500,000.
- b) Any permanent virement worth £250,000 or more that does not involve a major change in policy;
- c) Any temporary virement that involves:
 - i. A major change of policy and is worth £250,000 or more but less than £500,000; or
 - ii. No major change of policy and is worth £250,000 or more.
- d) Any delegated virements that the relevant Cabinet member have concerns about that have been referred to the Cabinet for approval or where in the opinion of the Chief Finance Officer a Cabinet decision is required.

Virements delegated by the Cabinet

7. Cabinet delegates responsibility for the remaining permanent and temporary virements as follows:
 - Permanent virements**
 - a) Responsibility for agreeing permanent virements that do not involve a major change in policy and are worth less than £250,000 is delegated to the relevant Director and Chief Finance Officer (or their nominated officer) subject to the approval of the relevant Cabinet member as part of the monthly financial monitoring process.
 - Temporary virements**
 - b) Responsibility for agreeing temporary virements worth less than £250,000 but greater than or equal to £100,000 is delegated to the relevant Director and Chief Finance Officer (or their nominated officer) subject to the approval of the relevant Cabinet member as part of the monthly financial monitoring process.
 - c) Responsibility for agreeing temporary virements worth less than £100,000 but greater than or equal to £50,000 is delegated to the relevant Deputy Director or Head(s) of Service. These virements should be reported as part of the monthly financial monitoring process.
 - d) Responsibility for agreeing temporary virements worth less than £50,000 is delegated to budget holders and managers affected.
8. Where a decision by Council or Cabinet has already specified that temporary or permanent virements will result the virements should be first agreed and then actioned by the relevant budget holders and managers affected. If there are disagreements, an arbitration process will be led by the Chief Finance Officer.

9. Ringfenced grant funding has to be used for the specified purpose. Virements to update income and expenditure budgets to match the grant notification provided by the relevant body can be actioned without further approval. The change and the overall updated grant allocation will be noted in the Ringfenced Government Grants annex of the Financial Monitoring Report to Cabinet.
10. Any delegated virements that the relevant Cabinet member or Chief Financial Officer have concerns about must be referred to the Cabinet for approval.

Financial monitoring

11. As part of financial monitoring procedures directorates should be forecasting the full year outturn position. Where action plans to address potential overspends do not reduce the forecast overspend, temporary virements should be made from underspendings elsewhere to reflect the forecast overspend that is not covered by measures in the action plan. Action plans that address overspends of £500,000 or more within a budget head as set out in the budget agreed by Council, or where the section 151 Officer has raised a concern, should be approved by the Chief Finance Officer and the Cabinet Member responsible for Finance and noted in the Financial Monitoring Report to Cabinet.
12. When virements are reported they will be assumed to be temporary virements unless it is specifically stated that they are permanent virements.

Cumulative virements

13. Successive virements to or from the same budget will produce a cumulative effect. If the cumulative effect to or from a budget head approved by Council (see paragraph 2) would require approval at a higher level – for example by Council instead of the Cabinet, the cumulative virement should be reported and approval obtained for the virement that triggers the requirement for cumulative approval in accordance with the requirements set out in paragraphs 4 - 9. The overall effect on the relevant budget head must be noted as part of the request.
14. Once the higher level of approval has been obtained for a cumulative virement the cumulative total is reset to zero. This means that any subsequent virement is a separate request that should be treated as set out above. Cumulative virements are reset to zero at the end of each financial year.

Chief Finance Officer Powers

15. If directorates do not make virements in accordance with these Virement Rules the Chief Finance Officer has the power to make other virements to remedy the position.

Who approves a virement?

Description of the virement	Permanent virements		Temporary virements	
	Major policy change	Not a major policy change	Major policy change	Not a major policy change
Council must always decide in the following cases				
Where there is one – off transfer between revenue and capital budgets of £500,000 or more	Not applicable	Not applicable	Council (4b)	Council (4b)
Where in the opinion of the Chief Finance Officer a Council decision is required	Council (4a) and (4d)	Council (4d)	Council (4d)	Council (4d)
In other cases, the value and type of the virement determines who decides³				
Where there is a one-off transfer between revenue and capital budgets of less than £500,000	Not applicable	Not applicable	Cabinet (6a)	Cabinet (6a)
£500,000 or more	Council (4a)	Cabinet (6b)	Council (4c)	Cabinet (6c) ii
Less than £500,000 but more than or equal to £250,000	Council (4a)	Cabinet (6b)	Cabinet (6c) i	Cabinet (6c) ii
Less than £250,000 but more than or equal to £100,000	Council (4a)	Director and Chief Finance Officer subject to approval by the relevant Cabinet member (7a)	Director and Chief Finance Officer subject to the approval of the relevant Cabinet member as part of the monthly financial monitoring process (7b)	
Less than £100,000 but more than or equal to £50,000	Council (4a)		Deputy Director or Head(s) of Service and reported as part of the monthly financial monitoring process (7c)	
Less than £50,000	Council (4a)		Budget holders and managers affected (7d)	
Previous decision by Council or Cabinet specifies that virements will result.	Budget holders and managers affected subject to an arbitration process by the Chief Finance Officer (paragraph 8)			
Any of the virements in shaded boxes must be referred to Cabinet for decision if the Chief Finance Officer or relevant Cabinet member has concerns about them (6d) and paragraph 9.				

³ Changes to expenditure and income arising from changes to ringfenced grant funding can be actioned without further approval and noted in the Ringfenced Grant Annex of the Financial Monitoring Report to Cabinet.

Asset Management Plans

1. The asset management plans underpin the capital element of the financial strategy. Both the asset management plan (AMP) and the transport asset management plan (TAMP) have been updated as part of this planning round.
2. The asset management plan at section 2.10.1 provides a framework within which the Council adopts a strategic approach to securing operational and financial benefits of a property estate that supports the provision of services using industry best practice whilst at the same time securing the maximum benefit for the local economy. It builds upon last year's plan and continues with the shift in priorities from holding property to delivering services and ensuring the approach to property delivers the broader objectives of the Council.
3. The Transport Asset Management Plan (TAMP) sets out the prioritisation for investment in highway infrastructure and provides the 2-year rolling programme for all highways maintenance activities. The revised plan at section 2.10.2 has been updated to reflect current needs and to ensure that prioritisation of schemes enables the Council to derive the greatest value from its investment.

Section 2.10.1

**Asset Management Plan
for Oxfordshire County Council**



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1 Purpose

1.1 Overall Aim

The County Council holds property to sustain and support its corporate objectives as reflected in the Corporate Plan and associated Business Strategy.

The Asset Management Plan (Operational Property Strategy, excluding Schools) is a document designed to set out the future direction for managing the County Council's property assets. By the very nature of the challenges facing the County Council in the medium term, the Plan needs to provide clarity in terms of objectives but have flexibility to respond to changes in circumstances.

An organisation of the stature and standing of the County Council needs to have an operational and asset portfolio that is both fit for purpose and capable of being adapted to future requirements.

The Council's property is changing significantly in terms of its size composition use and cost in response to changes in the size of the organisation and the way services are delivered. The principles set out in this Plan form the basis on which implementation plans will be developed and taken forward into delivery.

The Plan builds upon last year's document and continues with the shift in priorities from holding property to delivering our services and ensuring our approach to property delivers broader objectives of the Council.

The Plan will continue to be reviewed and updated on a regular basis.

1.2 Asset Management Plan – Objectives

This 5-year Plan will provide a framework within which Oxfordshire County Council adopts a strategic approach to securing the operational and financial benefits of a property estate that supports the provision of services using industry best practice whilst at the same time securing the maximum benefit for the local economy.

This approach provides for;

- Developing a vision for County Council property assets over the next five years that supports the County Council's Corporate Plan and Commissioning Agenda
- Setting out a strategic approach for the County Council's property assets
- Shaping the Council's operational property estate to optimise service provision and meet the needs of residents

- Ensuring that operational properties are appropriately located, provide flexible accommodation at low cost, in good condition and accessible to all.
- Achieving a reduction in the overall use of operational space to achieve savings
- Reducing the running costs of buildings and benchmark costs in use against peer group Authorities
- Ensuring the procurement of works for buildings meets sustainable design criteria and that buildings are maintained and managed for maximum energy efficiency.
- Challenging the business case for retaining properties, and exercise Head Lease break clauses, sell/lease surplus properties to achieve best consideration, capital receipts and revenue savings
- Developing an approach that ensures letting income from the County Council's property estate is maximised.
- Developing stronger working across the broader range of property assets held by public sector partners with a view to improving service delivery overall and reducing operational costs

1.3 Carillion/Capita Partnership

The Council has appointed Carillion as its preferred partner in providing a range of property and facilities management services over a 10-year period. The partnership is the key delivery mechanism for this Asset Management Plan.

In addition the contract provides additional services including property management, facilities management, energy management and capital works services.

The relationship between the Partnership and Oxfordshire County Council is the cornerstone to the successful provision of the asset strategy plan. Working in association the parties should deliver a new estate designed to be fit for purpose and which achieves the maximum achievable reductions in operational and property costs whilst delivering the optimum level of services to the community.

2 The Asset Management Plan

Asset Management is the generic process that ensures that land and buildings, or the asset base of an organisation, are structured in the best corporate interests of the organisation concerned. It aligns the property asset base with the organisation's corporate goals and objectives and responds to all functional and service delivery requirements of the organisation.

The Asset Management Plan is a key corporate strategic tool which sets out Oxfordshire County Council's property objectives focussing on how the Council intends to utilise its asset base to deliver its Corporate Objectives.

2.1 Why formulate an Asset Management Plan?

An Asset Management Plan is of importance and relevance to all employees, partners and stakeholders of an organisation including the Elected Members and the general public, together with all other relevant public sector and partner organisations.

The Oxfordshire County Council 5-year Asset Management Plan will be used by elected Members, officers and partner organisations to support/inform any decision related to property assets and should be treated as the key reference point to which all future decisions in relation to the property portfolio are referenced.

2.2 What will this Plan achieve?

The Asset Management Plan provides the template and framework for how the County Council will seek to utilise its land and property assets as a corporate resource. The Asset Management Plan sets out the Council's vision, aspirations and objectives for its land and property assets portfolio, and this will be used to develop and deliver an implementation plan that achieves these outcomes.

Oxfordshire County Council has statutory and other obligations to deliver various functions and services within the county. These include social care, education and library services, maintaining the roads network and waste management and community safety services through to the Fire & Rescue Service. How the property portfolio will play a vital role in the provision of these services is the key output of the Asset Strategy Plan.

3 Oxfordshire County Council - Corporate Plan

3.1 About Oxfordshire

Oxfordshire has a population in the region of 650,000 people. The population is increasing but the county retains a predominantly rural aspect and is the least densely populated county in the South East of England.

The county includes three areas of outstanding natural beauty: the Cotswolds, the Chilterns and the North Wessex Downs and is bisected by the River Thames. Oxfordshire is at the north-western edge of the South East region and, with its central location in England, has strong links to London and the Midlands, as well as west to the Cotswolds and along the M4 corridor.

- 87% of residents regard the county as a good place to live (Place Survey 2008/09).

- The population is healthier and more prosperous than most other areas.
- The local economy contributes £15.4 billion to the national economy.
- Unemployment is amongst the lowest in the country, with fewer than 2% of residents claiming job seekers allowance (December 2011).
- Residents and businesses benefit from the county's position at the heart of the UK rail and road transport network.

Oxfordshire however faces a number of significant challenges:

- More than 30% of the county's workforce is currently employed in the public sector, making it particularly vulnerable to the impact of budget cuts.
- Housing availability and affordability remains a problem.
- There are pockets of significant deprivation, with 18 local areas in the county within the 20% most deprived in England.
- Educational attainment at GCSE level is below the regional and national averages and 6% of 16-18 year olds are not in employment, education or training. These factors contribute to the skills gap experienced by around one in five employers in Oxfordshire.
- Positive improvements in life expectancy mean the County has a growing older population; the number of residents aged over 85 is predicted to more than double by 2033, presenting challenges to service delivery.

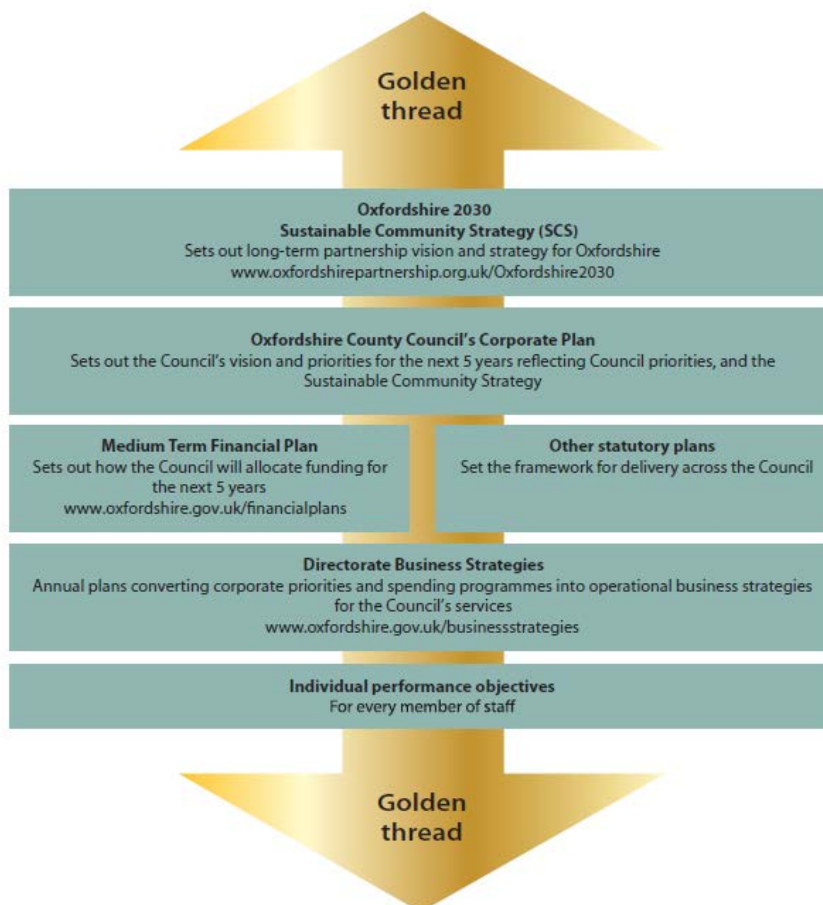
More key facts about Oxfordshire available on the Oxfordshire Data Observatory website: www.oxfordshireobservatory.info/aboutoxfordshiredata

3.2 Thriving Oxfordshire

Oxfordshire County Council has an overall goal of a Thriving Oxfordshire. This is predicated against vibrant and active communities, and a sense of place; maximising economic growth whilst ensuring that the fruits of growth are enjoyed by all parts of the community and minimising any negative impact on the environment.

These corporate objectives fit into the 'golden thread' which links all of the Council's work from top level objectives through to service delivery and ensures that the Council has a co-ordinated approach to future challenges.

The Council's strategic objectives continue to be consistent with Oxfordshire 2030, the county's long term plan. Despite significant changes to the financial and policy environment that the Council and its local partners face, they remain committed to working together to deliver the longer term ambitions for Oxfordshire.



3.3 Key Issues under the Corporate Plan

The Corporate Plan sets out the key issues to be addressed.

Localism Act 2011 – *a range of measures to support decentralisation including new community rights, reforms to planning processes and empowerment of local government and local communities.*

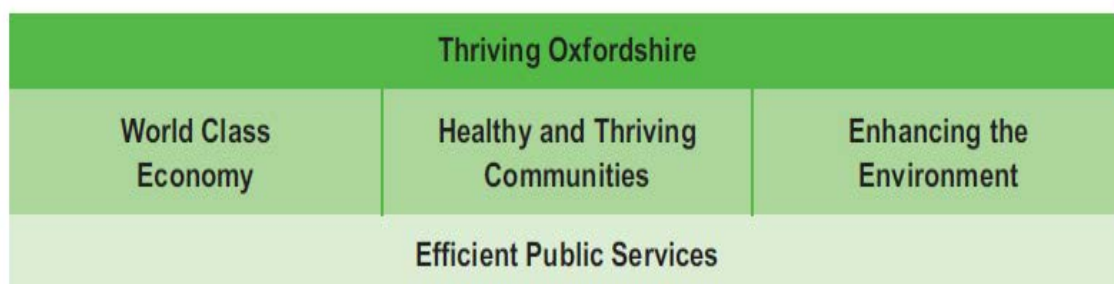
Open Public Services – *to increase choice, decentralise power, and diversify public service provision and increase accountability and transparency*

Schools – *increasing emphasis upon school autonomy, through Free Schools and Academies, and a more specific role for local authorities in supporting those most in need, thereby changing the relationship between the Council and local schools*

Strategic National Planning framework – *a local leadership role to align funding streams and deliver priority outcomes for Oxfordshire*

Police and Social Responsibility Act 2011 – *established the role of a Police and Crime Commissioner for each Police Authority area responsible for allocating local community safety funding which had previously been provided direct to the Council*

To deliver a Thriving Oxfordshire the Council will work towards the following strategic objectives:



3.4 How do our Assets need to change?

The Council's strategic objectives, set out in part above, will mean that the property asset will need to change. The broad implications for the property asset are:

Efficient Public Services

- *The cost and size of the asset base will need reduce;*
- *Property assets must be treated as a corporate and community resource and their future planned with our partners;*
- *Investment will need to be focussed on priority services and joint asset planning with partners.*

World Class Economy

- *Infrastructure will need to be provided for growth areas;*
- *Sufficient school pupil places will need to be provided.*

Healthy and Thriving Communities

- *Changes to the provision of adult and children's social care will mean changes to the property estate;*
- *Encouraging community self help through joint and community use of assets;*
- *The need to improve the intensity of asset utilisation will require more effective working and co-location with our partners.*

Environment and Climate Change

- *The environmental impact of property will need to be reduced and the estate be made more resilient to climate change to minimise impacts on services and reduce costs;*

- *Appropriate facilities for recycling and waste disposal will be required.*

3.5 Property Policy Objectives

The property policy objectives for 2013/14 onwards reflect the outputs required from and by the asset management strategy:

1. Reduce the cost of the property portfolio by 25% in line with Medium Term Financial Plan savings targets for future years.
Actions:
 - A Deliver the Asset Rationalisation Programme to the end of 2014/15
 - B Deliver savings on property costs in line with the MTFP
 - C Identify opportunities for additional savings through Locality Reviews and working with partners
 - D Introduce a Corporate Agile Workplace policy.
2. Put in place property that is fit for purpose and is aligned and supports corporate priorities and service business strategies.
Actions:
 - A Identify and programme priority repair and maintenance requirements
 - B Allocate capital resources to bring forward schemes to address priority needs
 - C Maximise utilisation of all retained property assets.
3. Increase co-location of services and sharing with partner and community organisations within localities to improve service delivery, reduce costs and achieve broader corporate objectives.
Actions:
 - A Lead on the Oxfordshire Collaborative Asset Management Group.
 - B Undertaking on-going programme of Locality Reviews.
4. Use surplus property assets to contribute towards corporate objectives for regeneration in the County.
Actions:
 - A Identify all potential surplus property assets through rationalisation and the asset disposals programme.
 - B Explore all potential regeneration or redevelopment opportunities in priority locations
5. In working with others to realise opportunities for regeneration, if it is required, explore capital investment opportunities, including potential acquisitions, where a robust business case demonstrates an enhanced revenue income or capital receipt or improved asset value.
Actions:
 - A Consider any site assembly opportunities to generate a subsequent enhanced disposal.

B Work with partners to explore potential alternative and more beneficial uses for existing property assets including potential Local Asset Backed Vehicle arrangements.

6. Maintain energy costs at 2010/11 levels as far as is cost-effective, whilst meeting Government carbon budgets through investment in energy efficiency and renewable energy measures.

Actions:

- A Develop and implement a ‘whole building’ programme of energy investments across the estate
- B Embed a set of low energy behaviours across the organisation
- C Provide targeted feed-back to building users to help manage energy use effectively day-to-day

4 The County Council’s Property Portfolio

4.1 Overview

The property portfolio comprises approximately 830 operational properties. The main property types are as follows:

- secondary schools
- primary schools
- special schools
- offices
- fire stations
- libraries
- museums
- day centres
- highway depots
- staff houses
- children’s centres
- early intervention hubs
- waste recycling centres
- Homes for older people

Property Category	Value (£'000)
Operational (Other land and Buildings)	989,471
Non-operational - Investment	4,521
Non-operational – Surplus/Vacant	3,997
Total Asset Value	997,989

The Council makes significant investment in the portfolio each year, through the capital programme and the repairs and maintenance programme. The Council had identified that only 45% of the portfolio was fully fit for purpose and there was required maintenance of £65.8 million.

4.2 A Future Approach to Property Assets

Effective Asset Management requires a strategic policy allied to resources which can respond to change within legal, financial, construction, organisational and development constraints. Planning for change in advance is essential given that acquiring or disposing of properties can be protracted.

The successful implementation of the broader objectives of Oxfordshire County Council will rely upon the Council's ability to clearly determine the following:

- What land and property assets does the Council hold;
- Under what legal basis are these assets held;
- What is the purpose or reason for holding each asset;
- Who uses the asset and what is it used for;
- What is the level of asset utilisation;
- What is the value of the asset; (value can be for different purposes)
- What is the condition and life of the asset;
- What does it cost to hold the asset;
- What does it cost to retain and maintain the asset;
- How Energy Efficient is the asset
- What is the cost per square metre of holding the asset;

The process of accumulating, updating and reviewing this data is in hand through the data warehouse facility. The Integrated Property Asset Management System with a single view of the asset will enable comprehensive property asset performance information to be analysed and reported as required. This information will enable better strategic decision making and inform the ongoing development of the Asset Management Plan. This will also enable the Council to strategically and corporately assess how it needs to act and respond to the challenges of delivering service transformation and also meet cost saving targets whilst still providing effective and efficient public service within Oxfordshire.

4.3 Condition Survey Information

As part of the above process, one of the key elements will be the ongoing assessment of the condition of the Council's property assets and the ability to effectively programme and fund the necessary repair and maintenance requirements. The recent condition survey results have identified total required maintenance of £65.8m (inclusive of schools delegated items), £23.9m of which is within the top two priority categories of urgent or essential works necessary within 2 years.

4.4 Corporate Landlord

All land and property assets are managed under a 'Corporate Landlord' function.

The Corporate Landlord Function allows an integrated and strategic asset management service that responds to all property and accommodation requirements across the Council and delivers outcomes that include:

- Informed strategic asset management decision making where all issues, opportunities and potential improvements are identified, understood and managed under the Asset Management Plan.
- Improved financial decision making relating to property assets and programmed capital and revenue expenditure where life cycle costs are minimised where possible and appropriate.

The identification and delivery of potential Capital Receipts and investment opportunities via a strategic disposal / development review process.

- The identification of potential collaboration and efficiency opportunities across the Council and other public sector partners to maximise and extract as much value from the Councils retained Corporate Land and Property Assets Portfolio as possible.

The recent completion of the ATRIUM database will facilitate the ability to accurately forecast/identify internal costs.

Under the Corporate Landlord approach the directorates and services become notional tenants and make use of the property in delivering a service. There are specific responsibilities that fall both to Corporate Landlord and Notional Tenant, depending on the nature of the asset and the service.

4.5 Atrium Database

The ATRIUM database forms part of the PIMS (Property Management Information System) central database that, combined with the Corporate Landlord Function, will enable;

- A single view of all the Council's corporate property assets
- Corporate and central management for the entire assets portfolio that enables service delivery providers to focus solely on service delivery requirements.
- A strategic planning capability to meet changing operational and service delivery needs including asset rationalisation and Agile Working.

- Informed strategic and corporate decision making on all land and property matters.
- Real and complete cost information on use and effectiveness of property holdings.
- A real and actual cost in operation and a cost in the holding of property assets together with the ability to re-charge on a real cost basis.
- An integrated approach to meeting community and service needs.
- Rationalisation and investment strategy forward planning and management.

The information from the ATRIUM database will be used as the bedrock for all future decisions in relation to the property asset base.

4.6 Adapting the Property Estate

The County Council's property portfolio comprises both operational and non-operational property. The portfolio should be held purely in order to support the functionality of Oxfordshire County Council as a provider of services. The operational portfolio will be kept under review in order to ensure it remains fit for purpose. As part of this on-going work, opportunities to rationalise the property estate will be explored, including where appropriate by disposal through questioning existing policies against the following criteria;

- *Is there a clear rationale for owning or holding properties and if a particular asset does not assist service delivery or generate income, is there any beneficial purpose in its retention?*
- *Is there a regular process of review and reporting in place to confirm whether or not individual properties are fit for their intended purpose? Are decisions to retain sites and properties regularly tested?*
- *Is the Council able to quantify the performance and return from any given property asset and particularly its income generating investment property assets?*
- *Has the Council set objectives for its property assets and is performance of the assets monitored to ensure that these objectives are being met and are still relevant?*
- *Is there a clear link between the Council's property assets and its wider corporate objectives?*

4.7 The Current Asset Rationalisation Programme

Medium Term Financial Plan savings on property running costs to the end of 2014/15 are being delivered through the Asset Rationalisation Programme. The critical lease surrenders within the MTFP period are Clarendon House, Oxford, and Windrush Court, Abingdon, both in June 2014. These properties will be vacated in line with those lease timescales, with staff accommodated within the retained estate through more efficient and effective use of office space and the implementation of agile working. This will include the relocation of the Customer Service Centre to County Hall in 2014.

Additional savings beyond the MTFP period are likely to arise from the implementation of a corporate agile working policy ensuring office space is minimised and that other significant lease surrenders can be realised beyond 2014/15. Locality reviews are also likely to lead to other opportunities for rationalisation of the estate.

In the mid-term the opportunity to surrender the leases on space within Unipart House amongst others in May 2017 provides a need for holding a medium-long term office strategy.

The Council's office strategy is currently based on the following principles:

- *Minimising the size of the office portfolio* – ensuring that space requirements take account of a smaller organisation, whose staff work in a more agile way supported by technological improvements
- *Co-location of staff and services* – proactively realising opportunities to co-locate with the districts, the health sector and other public sector bodies
- *Using investment in the office portfolio to support the local economy* – where there is an identifiable need for investment ensuring that it supports wider economic growth priorities

The office model for Oxfordshire will comprise the following office hubs:

- *A northern office hub* – based at Samuelson House in Banbury, but working with partners to explore opportunities for co-location of services as part of wider proposals for the regeneration of Banbury
- *A southern office hub* – based around Abbey House in Abingdon but potentially working with partners to explore opportunities that support shared ambitions for economic growth

- *A central office hub* – based around presence in Oxford, with a balance between presence in the city centre and other locations across the City, including the eastern side as well as potentially the west end.

It is currently anticipated that there will continue to be a need for a satellite office to serve the west of the county in Witney.

It is currently anticipated that Graham Hill House in Oxford (trading standards) and Signal Court in Eynsham (Countryside Services) are retained as specialist offices due to service requirements for adjoining warehouse/workshop accommodation and recent capital investment.

4.8 Agile Working

The development and implementation of a corporate agile working policy will provide clarity on the likely size of the organisation in future years and the extent to which changes in work styles and co-location will impact on office requirements. This work will inform the medium-long term vision for the office estate and those offices that are retained or disposed of. The relocation of services based in Abingdon to Abbey House is being used as a pilot to develop the County Council's approach to agile working.

In October 2013 Oxfordshire County Council instigated an agile working review across the entire office estate in order to identify a space standard and to inform the Asset Strategy Review with regard to future accommodation needs.

The successful implementation of 'Agile Working' requires a change in the way people work which in turn relies on three elements being put in place;

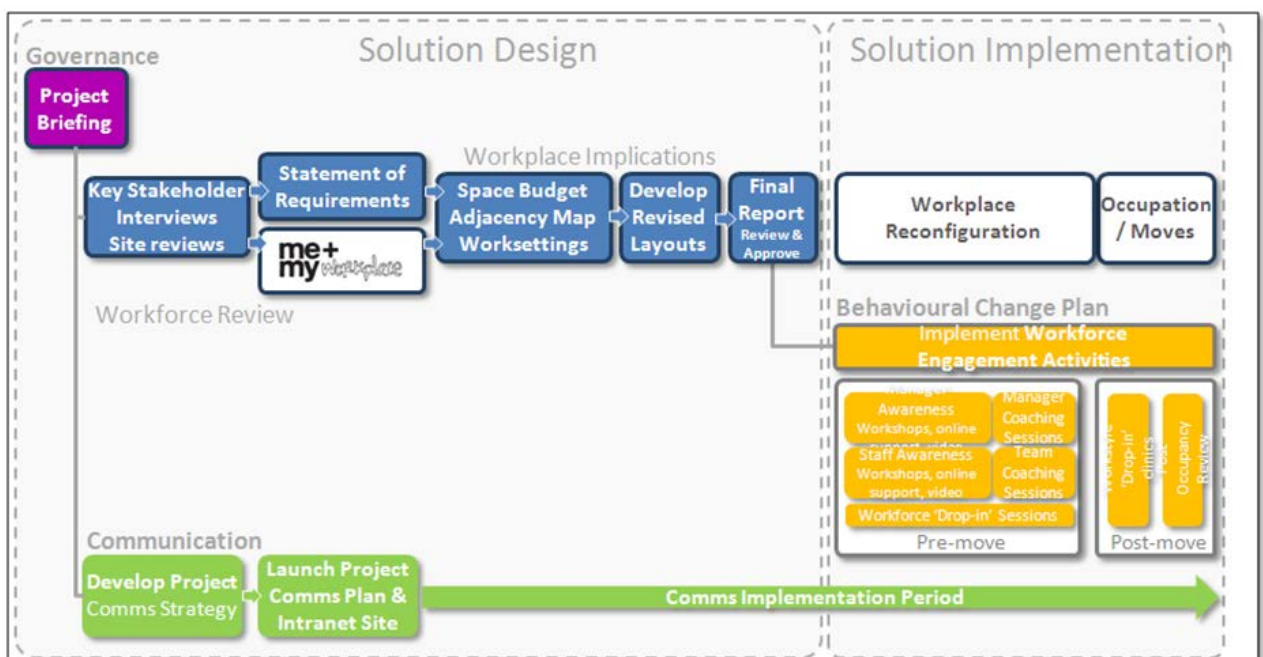
Sponsorship – the initiative needs strong and dynamic leadership from the top of the organisation: agile working is a business transformation initiative

Communication – the workforce needs to understand what is happening, why and when: it requires a dedicated approach to communications.

Engagement – the workforce needs to be, and feel to be engaged in the process of changing how they work; staff members are much more likely to accept new technology, desk sharing and flexible working, if they have been involved in the process of creating the agile working solution.

The review, which will report to the County Council in early 2014 will identify the opportunities and benefits of adopting 'Agile Working' and provide a solution which reflects the needs of Oxfordshire County Council over the next five years.

To secure a benefit over the full term the report will provide a methodology for supporting the OCC in the development and delivery of agile working solutions which reflect the true workforce and organisational needs from solution to implementation as follows.



4.9 Disposals

Land and property assets held by the Council should be considered for disposal as surplus to requirements if any of the following statements apply:

- The asset no longer makes a positive contribution to the current delivery of Council services.
- The asset has no potential for future strategic regeneration and/or redevelopment purposes.
- An alternative site can provide a more cost effective and/or efficient point of service delivery.
- There is no adopted and resourced Council plan/policy/strategy, which will bring the asset into beneficial use in the foreseeable future.

- There is no potential for advantageous shared use with partners.

In general the Council is required to achieve the 'best consideration reasonably obtainable' when it is disposing of land or buildings under s.123 Local Government Act 1972. If it seeks to dispose of land or buildings below the market value, it must obtain the consent of the Secretary of State for Communities and Local Government.

However, the Council (having regard to the Crichel Down rules whereby property must in certain circumstances first be offered back to the original owners) will use its powers under the General Disposal Consent 2003 to transfer land at less than its market value, without the need to seek specific permission from the Secretary of State, provided that:

- a) The purpose for which the land is to be transferred is likely to contribute to the 'promotion or improvement' of the economic, social or environmental well-being of the area; and
- b) The difference between the market value for the land and the actual price paid for the disposal (if any) is not more than £2m (also providing that the reduction in price does not breach State Aid Rules)

4.10 Acquisitions

Land and property asset interests will only be considered for acquisition if the following circumstances apply:

- The acquisition makes a positive contribution to the delivery of Council services.
- The acquisition will make appositive contribution to reducing occupational cost
- All other methods for the delivery of the service have been investigated and an option appraisal has been undertaken which highlights acquisition as the most economic and efficient means of service delivery.
- The acquisition of the interest has potential for future strategic regeneration and/or redevelopment, or contributes to wider corporate objectives and appropriate funding has been identified.

4.11 Working with Public Sector Partner Organisations

The County Council will pursue opportunities for more efficient and effective collective use of the wider public sector estate through locality reviews and the Oxfordshire Collaborative Asset Management Group.

The Council supports the principles of CIPFA's ONE Public Estate and place-based asset management and will adopt such an approach across Oxfordshire.

The Council will pursue more informal, and less resource intensive property occupation arrangements with partners (licence agreements, Memorandums of Understanding, £/desk occupation charges). The Council will share property asset information with partners to enable strategic asset management of the public estate

4.12 Development and Regeneration

In certain cases the Council will hold land and property assets, sometimes for long periods, in anticipation of some wider benefit to be secured through a development or a wider regeneration proposal.

Where appropriate, the Council will use its surplus land and property assets to contribute towards corporate objectives for regeneration in the County and where opportunities arise

The Council will pursue public/private property initiatives, including Local Asset Backed Vehicles, where there is a robust business case for doing so and where the scheme will contribute significantly to corporate objectives for regeneration in a particular locality

4.13 Community Asset Transfer

The Council is committed to localism and recognises the importance of providing support to voluntary organisations that provide services to the community which are compatible with the Council's wider objectives

The Council will consider the disposal of land and property assets in accordance with the Community Right to Bid provisions of the Localism Act whereby community groups will be given the opportunity to develop a proposal and raise capital to bid for an "asset of community interest" when it comes to the open market

In addition to the Community Right to Bid, community interest in the transfer of property assets will be considered and assets made available for transfer unless one of the following principles applies:

- a) Property revenue savings or capital receipts from the property are needed to contribute to Council savings or to ensure the continued provision of front line Council services;
- b) There is another Council, partner co-location or school need for the property which would be difficult to meet in any other way;

- c) Grant conditions for capital expenditure on the property prevent the asset being transferred or a change of use within a specified timescale.

Once it has been decided that an asset can be made available, the Council will transfer the asset to the community/voluntary organisation on terms to be agreed, if:

- a) There is no other local building from which the community/voluntary organisation could reasonably provide the same service;
- b) The proposal is financially viable and sustainable;
- c) The proposal represents good value, taking into account the expected community benefits; and
- d) The proposal as a whole, and in particular the loss of a potential capital receipt due to a discounted sale price, is affordable.

The County Council will consider proposals from community and or voluntary organisations for either leasing an asset or for purchasing a freehold interest. The Council's detailed policy on community asset transfer is contained in the Community Asset Transfer Policy.

4.14 Academy Transfers

The Council will transfer education land to Academies under 125 year leases at a peppercorn rent, consistent with the Academies Act 2010.

The Academies Act 2010 includes clear expectations that Academies should have a long leasehold interest unless the predecessor school held the freehold. A "two stage" conversion (Foundation and then Academy) could enable an Academy to obtain the freehold of the school site and is considered against the intentions of the Act. Therefore two stage conversions will be refused by the Council.

Where other Council services (e.g. Libraries, Children's Centres, Adult Learning, Hearing Impairment, Autism and other Special School services) form an integral part of the school, the Council's ability to continue to provide these services will be secured by taking a 125 year "lease-back" at a peppercorn rent (paying a fair proportion of utilities and maintenance costs).

4.15 Investment Portfolio

The Council will pursue opportunities for capital investment in surplus property to provide an income stream, subject to a robust business case.

The Council will consider strategic acquisition of investment property subject to the development of a robust business case.

The Council will be willing to hold a longer-term vision for use of capital funding in support of the above.

The Council will explore opportunities to generate additional income from its property portfolio of land and buildings, having regards to the community and neighbouring landowners, which will include:

- Telecoms and Wayleaves etc.
- Wind turbines/solar arrays/alternative energy sources
- Advertising

4.16 Energy Management

The Council will develop and implement an energy investment programme to meet its energy and carbon objectives.

In general, when making decisions about the management of its property, the Council will seek to minimise energy consumption, both in its buildings and in travel to and from the buildings.

The Council follows the principles of ISO50001 *Energy Management Systems* to define and implement its detailed energy policies and processes.

5 Property Requirements by Service

5.1 Library Service

The Council has a statutory duty to provide a comprehensive and efficient Library Service. There are currently 43 Libraries throughout the County together with 7 Mobile Libraries that service five mobile areas as well providing services to housebound residents.

The County Council's agreed strategy is to fully fund and resource all of the libraries that form part of our comprehensive and efficient library service. The core libraries are:

Abingdon, Banbury, Berinsfield, Bicester, Blackbird Leys, Botley, Carterton, Chipping Norton, Cowley, Didcot, Eynsham, Headington, Henley, Kidlington, Littlemore, Neithrop, Oxford Central, Summertown, Thame, Wallingford, Wantage and Witney.

The Council will also continue to provide a fully supported infrastructure (building, ICT, book stock and the installation of self-service) to those libraries which fall outside of our comprehensive and efficient library service. The Council will work with each of these libraries to establish a Friends Group to enable a shift in the balance of staffing in these libraries towards volunteers over a three-year period. For Community Plus libraries, this would mean one third volunteers and two thirds paid staff. These community plus libraries are:

Chinnor, Faringdon, Grove, Wheatley and Woodstock.

For Community Libraries this would mean one half volunteers and one half paid staff. These libraries are:

Adderbury, Bampton, Benson, Burford, Charlbury, Deddington, Goring, Hook Norton, Kennington, North Leigh, Old Marston, Sonning Common, Stonesfield, Watlington, Woodcote and Wychwood.

Where development and/or regeneration opportunities present themselves the County Council will look to secure appropriate contributions towards the provision of library services. In order to assist in this process, a review of the space standards for libraries will be undertaken during 2014/15. This will ensure the County Council has a robust basis for securing financial contributions.

In addition, during 2014/15 the County Council proposes to undertake a review of all of its library sites with a view to identify opportunities to make better use of existing space, in particular those opportunities that might offer the potential to co-locate services.

5.2 Fire and Rescue Service

The Fire & Rescue service within Oxfordshire is delivered as part of the Council's services however there has been a recent shift in funding from a standard formula allocation, based on population to funding based on capital bids. The service is bound by legal responsibilities relating to response times and generally the existing Fire Stations are considered to be in the right locations to serve the existing population centres. Response times outside of the population centres are more challenging given that Oxfordshire is one of the most Rural Counties in the country.

There is a current shift towards the Oxfordshire service operating as part of a joined up national organisation of Fire & Rescue services to better combat terrorism and other national threats.

The Fire & Rescue Service as part of their Community Risk Management Plan are looking positively towards co-location opportunities particularly with other blue light services and this fits into the Council's wider ambition to work more closely with other public sector organisations.

There is a specific need to address the Fire & Rescue Service's workforce development strategy in relation to the Council's Asset Management Plan and especially in relation to any new locations for Fire Stations. There is a need for retained Fire Stations to be located within five minutes of on-call Personnel.

Future population growth areas in Bicester, Whitney, Wantage/Grove and Carterton, where the Fire & Rescue Service provision is currently provided by the Bampton, Burford and Whitney Fire Stations, has implications for the service due to potential increased risk and response times.

There remains an aspiration to re-provide the fire station at Rewley Road in Oxford as this would release some, or all, of the site for redevelopment. There would also be the potential to co-locate a number of the functions it accommodates, perhaps as part of the Northern Gateway development. However a City Centre Station is still required due to Oxford being a cultural and tourism centre, although a smaller site would suffice as office uses could be relocated elsewhere.

The on-going provision of some Fire & Rescue training is currently being assessed to determine the most effective means of delivering this going forward.

The Fire & Rescue Service also has responsibility for the Council's Gypsy and Traveller Service which has a number of locations within the County. This service currently operates effectively and there are no major asset implications.

5.3 Environment and Economy

The Highways services within Oxfordshire are delivered by Skanska. The Highways contract allows for investment of £5m in highway depots sites, which will be funded through revenue savings. Skanska has licence agreements for the use of Deddington, Milton Common, Drayton, Chipping Norton and Woodcote depot sites. A depot strategy will be developed which will determine where capital will be invested. Feasibility studies will then be undertaken. The priorities for capital investment are:

- Office accommodation, including refurbishment of existing buildings at Drayton and replacement of temporary buildings at Deddington.

- Increased salt storage capacity (Deddington, Chipping Norton, Drayton and Milton Common);
- Other operational improvements, including storage and hard-standing
- Vehicle maintenance, including possible co-location with the Integrated Transport Unit.

5.4 Children, Education and Families

Children's Homes

The Council has two children's homes within the county. Thornbury House children's home for boys was re-provided in a new building on the same site in 2011 and is now known as 40 The Moors, Kidlington. Maltfield House in Headington provides accommodation for girls. Both are now fit for purpose.

The County Council is looking to increase the in-county provision as a means of improving the service available to support vulnerable children. Provision of such services locally will have the added benefit of being more cost effective.

Pupil Referral

The main Pupil Referral Unit is based at Meadow Brook School with other additional units located across the county. The service strategy continues to evolve and there remains a desire to explore potential co-location opportunities within localities.

Early Intervention

Seven Early Intervention Hubs, (EIH) operate across the county, supported by five Early Intervention Satellites (EIS). The EIHs provide a single, integrated early intervention service for children, young people and families with additional and complex needs: services are provided by both Council staff and partner organisations. The EIHs/EISs also provide drop-in office accommodation for staff and support the Council's main hub offices.

Children's Centres

Investment in the children's centre programme means that there now a children's centre accessible to all families across Oxfordshire. The Service is run by a number of different providers, including schools, the Council, private and voluntary organisations.

Children's Social Care

This service is delivered predominately from Knights Court, Samuelson House, Foxcombe/Windrush Court, Nash Court and Kings Gate. Any increase in demand for this service will be considered as part of the office rationalisation proposals under the Strategic Asset Management Plan.

Outdoor Education

There are currently three out of county Outdoor Education Centres with one being located within Oxfordshire at Hill End. The Council owns the freehold of the out of county centres and alternative service delivery models are currently being explored, subject to a robust business case.

Adult Learning

Adult Learning has administrative functions concentrated into four area offices – Unipart House, Kidlington Adult Learning, Union Street (East Oxford) and Grove Adult Learning Centre.

Other premises continue to be required for service delivery. Co-location of Adult Learning accommodation with other Council and partner services continues to be pursued where appropriate.

5.5 Social and Community Services

Adult Social Care

Ninety percent of Adult Social Care Services are provided through contracts with external service providers. The service is moving from that of commissioner to an enabler given the funding changes that provide individual care budgets to service users. The focus of the service is to support users to remain independent in their own home. This focus is assisted by closer working arrangements with health professionals and the District Councils.

There is a desire to encourage more agile working within the provision of Adult Social Care through the use of smaller integrated bases with Health colleagues and more time being spent within communities.

Homes for Older People

Homes for Older People are all leased to the Oxfordshire Care Partnership. The County Council worked with OCP to deliver the re-providing of seven of the homes that were no longer fit for purpose, before undertaking a further piece of work to address the remaining eight homes.

Day Services

As part of the Day Opportunities Strategy traditional older people's day centres were replaced by resource centres. This has been completed in Bicester, Oxford, Abingdon and Witney and one is currently being built in Banbury. This leaves a requirement for Resource Centres in Didcot, Wantage and Wallingford.

Learning Disabilities

There are no property related issues identified for this service at present.

Special Needs Housing

The strategy for the delivery of Extra Care Housing is now established. This need is considered in all Council disposals, as well as any Section 106 bids, and through working closely with District Councils and Housing Providers.

An overall housing strategy is currently being prepared which will set out the need and delivery strategies for all the areas of special needs housing, including older people, as well as learning disabilities, physical disabilities and mental health. Whilst the demographic drivers are not on the same scale as for older people and Extra Care Housing, there is often a need for more specific and specialist housing that cannot be achieved through the normal affordable housing routes. The new strategy document will set out these specifics and the same principles will be applied with regard to the disposal of sites as for Extra Care Housing.

5.6 Coroners and Cultural Services

The Council's Cultural Service incorporates Museums, the Archive Service and other stand-alone cultural sites. The Council also has a statutory duty to collect and store documents as part of the archive service based at the Oxfordshire History Centre (St Luke's Records Office). This facility was recently converted but is now at capacity and as a result a potential future new alternative location might be explored in conjunction with a potential relocation of the current book store service at Holton.

The Oxfordshire Museum in Woodstock is supported from the storage facility at the Standlake Museum Resource Centre which has recently been extended and now provides a sufficient principal storage facility.

5.7 Customer Services

This service is currently split between Unipart House and Clarendon House in Oxford. The need to vacate Clarendon House by June 2014 as part of the Asset Rationalisation Programme will result in the Customer Service Centre relocating to County Hall in spring 2014. The majority of ICT services located within Clarendon House will be relocated to Unipart House at the same time. ICT infrastructure will be moved to the Cloud in 2015/16 which will remove the requirement for a physical Data Centre. Academy Transfers are resulting in a move away from direct services to schools over three years to 2015. The remaining services are currently under review.

5.8 Public Health Services

This service transferred to the County Council with effect from 1st April 2013 and is effectively a commissioning service for preventative health services to the public within Oxfordshire. Members of staff located across County Hall and Oxford Health premises at Jubilee House. Opportunities for provision of services from Council property assets are kept under review as contractual arrangements are renewed.

5.9 Staff Housing

The general approach to vacant staff housing was agreed by the Cabinet in July 2005 and seeks to reduce the size of the staff housing estate where there is no school need for the accommodation and where the property can be easily separated from the main school site. The agreed approach is as follows:

- If the house is an integral part of the school site, the school should be allowed to decide whether it wishes to take over the building for teaching or office functions, or whether it wishes to retain it for caretaker use in which case either the responsibility for paying the rent subsidy should transfer to the school, or the school should consider whether the rent should be increased so that no rent subsidy is required;
- If the house is part of the school site, but could potentially be separated to allow a disposal, the Council should review the position with the school before making a firm decision as to whether a sale can be achieved;

- If the house is not part of the school site the Council should pursue disposal of the house, unless there are particular reasons why this is not appropriate.

6 Conclusion

This Asset Management Plan is a live document and will be reviewed annually in line with Service and Resource Planning and Capital Planning process.

TRANSPORT ASSET MANAGEMENT PLAN & PROGRAMME 2014/15 – 2015/16

Introduction

1. Oxfordshire County Council's Transport Asset Management Plan (TAMP) was approved by Cabinet in March 2008. Officers have been working closely with a working group from the Transport Advisory Panel to refresh the TAMP with a view to it being more reflective of the current needs of the asset and ensuring that prioritisation of schemes enables the authority to derive the greatest value from its investment.
2. The Council has also recently been the subject of a peer review as part of the Highway Maintenance Efficiency Programme set up by the Department for Transport and the Local Government Association. This has enabled the authority to be recognised for the good work it is doing whilst providing challenge, and examples of good practice, on where it can improve. An action plan has been developed to address these improvements and will be implemented over the coming year.
3. This report provides the 2-year rolling programme for all highway maintenance activities and all types of highway infrastructure including roads, footways, bridges, street lighting and drainage in accordance with the current TAMP. The 2014/15 schemes (in Annex B) were presented in draft at the locality meetings held in autumn 2013, as part of the visualised two year programme (2014-16). Comments were taken from the meetings and the schemes were developed in accordance with feedback and condition assessments.
4. Annex A provides the Structural Maintenance Annual Programmes funding allocation for the medium term and the funding for major schemes and other activity. The detailed 2-year Structural Maintenance Programme is provided in Annex B.

Asset consideration and prioritisation

5. Each asset type has differing levels of deterioration and requires specific assessments to ensure that condition is maintained and risk is not increased which might lead to claims or the need for major investment. Each is discussed in turn below:

Carriageways & Footways

6. Carriageway structural maintenance activities include carriageway resurfacing and reconstruction, structural patching, surface dressing and specialist safety surfacing treatments.

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7. The last few years have seen a significant deterioration of the carriageway network with highway defects needing to be addressed rising from 27,958 in 2011 to 52,296 in 2013. This has put significant pressure on revenue budgets with costs increasing from £1.662m to £3.943m in the same period and has put pressure on budgets in place for more proactive activities.
8. Further pressure has been put on maintenance budgets by finding the presence of coal tar in roads recently identified for surfacing. This is classed as a hazardous substance and therefore requires controlled and costly disposal which has significantly increased costs for schemes. To mitigate this issue the service has sought to focus efforts on appropriate recycling of this material to ensure that the impact on capital budgets is kept to a minimum.
9. Significant work has been undertaken in the last few years in developing more advanced forward programmes of work to ensure that more informed decisions can be taken on linking schemes for recycling or commercial reasons to ensure that the programme in its entirety can be delivered as cost effectively as possible.
10. Schemes are currently assessed through relative need factors that effectively score roads and footways according to the level of deterioration present to provide an initial prioritisation. Other factors are then considered such as the ability to recycle schemes, coordination with other works and programmes, links to other strategic priorities and impact of revenue budgets etc. to ensure that the greatest benefits can be derived to determine each year's annual programme of work.
11. Programme appraisals also include assessments of the importance of the route in the network hierarchy and the effects on traffic and localities to ensure that travel on the highway network and the impact on individual communities is not adversely affected by competing road works.
12. The above approach does not detract from the Council's duty to maintain the network in a safe condition. Defects identified through highway inspections or reported by the public on all roads in the County will continue to be investigated and repaired if there is an implication for safety.
13. The County's highway network has proven to be particularly susceptible to the effects of the external environment with significant impact on the highway condition being effected by harsh winters, high temperatures and flooding.
14. The above factors have caused significant break-up of the carriageway surface across much of the network, some road surfaces to melt and the undermining of the foundations of some carriageways and footways (i.e. the embankment slip at Bagley Wood last year). Water entering cracks in the road construction, and the subsequent freezing and thawing process are the main factors that cause widespread damage. Timely and cost effective sealing and drainage treatments before the road deteriorates is therefore imperative to ensure that the road does not deteriorate significantly with the resulting prospect of expensive repair costs and increased claims.

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15. To help address this, the Department of Transport made additional funds available for 2013/14 and 2014/15 and these have been directed to ensuring that surfaces are effectively sealed and that water can more effectively run off of the carriageway.

Drainage

16. Poor drainage is a major cause of early carriageway failure and localised highway flooding. In conjunction with the additional capital investment from DfT, more revenue funds have been directed to addressing local drainage issues such as run off channels and ditch clearing in an effort to keep road surfaces drier. Formal drainage investigations are now included in early feasibility work for schemes in the carriageways forward programme with costs built into the annual site investigation and works allocations.
17. The Flood and Water Management Act 2010 places a Duty on the Lead Flood Authority (Oxfordshire County Council) to manage and record all surface water flooding within the County. The Council is developing a strategy on how it intends to manage this and it will go out to public consultation early this year.

Bridges

18. The overall condition of OCC's bridge stock both on the public highway and on the public rights of way network is declining following a reduction in capital funding as resources and funding have been diverted to support other priority assets like carriageways. Therefore, the bridge stock is currently being managed in a reactive rather than proactive way. This has increased the number of bridges on which weight limit measures are being imposed.
19. Recent extreme winters require higher volumes of salt to be spread on the highway which is detrimental to the durability of steel and reinforced concrete bridges. The County has also recently experienced more frequent extreme flood events, hotter summers and colder winters which only serve to increase the stresses on bridge structures and accelerate the rate of deterioration of OCC's bridge stock.
20. The fast running waters of the significant flood events such as those experienced in July 2007 and the more recent events in 2012 have been found to have significantly eroded away parts of the foundations and surrounding supporting soil structure of many bridges in the County. On some public rights of way footbridges have been damaged so significantly they have needed to be closed completely.
21. The service is reviewing the Bridges Maintenance Programme to ensure that future bridge maintenance schemes still provide value for money in terms of whole life costs, and has invested one off money to survey key structures to support this activity.

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22. However, this increased knowledge of the condition of the Councils bridge stock is likely to identify urgent works that will need to be undertaken in the coming years.

Street Lighting and Traffic Signals

23. A simple system is used to assess the structural safety of lighting columns that provides an indication of the lighting column condition, which then forms the basis of a series of road lighting condition indicators. The interim report published in June 2002 proposed that the road lighting condition indicator should initially be based on the age of the lighting columns and any indicators of residual life that can be determined, whilst also considering environmental factors and other elements, such as luminaires and cable networks.
24. With an average life expectancy of 30 years it would be necessary to renew an average of 1460 lighting columns per year in order to keep pace with natural deterioration in the condition of Oxfordshire's lighting stock. However, the current budget allocation allows a programme of work to replace approximately 900 columns a year which have reached the end of their expected life. There are over 58,000 lighting columns in the county.
25. In the 1970's and 1980's the Council implemented a large majority of the traffic signal sites across the County. As with the street lighting stock many of these sites have reached their average life expectancy of 30 years and in many cases are beginning to show signs of deterioration. This will put pressure on capital budgets in coming years.

Structural Maintenance Programme 2014/15 & 2015/16

26. Annex B contains the programmes for structural maintenance for 2014/15 and 2015/16. They are presented in Asset type and schemes for each have been identified and the locality identified for further communication and clarity.
27. The main carriageway and footway schemes have been developed in advance where possible by allocating funding for advanced design and coring. This process allows for specific and appropriate treatments to be chosen, risk of coal tar to be identified and costed, and better cost estimates to be provided, enabling more effective use of available budgets and certainty of programme delivery. Specific allocations of funding have been set aside within each year to ensure that this advanced work continues into future years so that delivery can be assured and that the supply chain and market forces can be exploited for economy of scale, effective programming and associated efficiencies.
28. Routine surface dressing sites can only be presented for the first year of the programme as they are subject to pre-patching work a year in advance. All work is carried out within the summer months due to temperature sensitivities.

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29. Pre-patching sites cannot be practically identified as a programme as these are iterative from condition assessments carried out within the same year. It is possible that some sites can be identified but they are subject to change dependent on the findings from the inspections. This work will determine the surface dressing programme for the 15/16 programme as highlighted above.
30. Footways are identified for both 2014/15 & 2015/16 and all 2014/15 schemes have been advanced designed to eliminate risk, confirm the treatment and obtain accurate budget estimates as per carriageway schemes.
31. Drainage schemes are identified for 2014/15 & 2015/16. Some advanced design and investigation has similarly been undertaken for the 2014/15 programme to eliminate risk, confirm the design/intervention works and obtain accurate budget estimates as per carriageway schemes. It is not practicable to undertake advance design of the full programme as the investigations required are such that the cost and the impact on the highway network is prohibitive (i.e. the need to excavate along lengths of drainage systems to determine exact requirements where CCTV surveys are not possible) and it is far more cost effective to the authority to build in greater contingencies into subsequent years to be able to react to findings found on site. In addition, a third of the budget has been assigned to a “reactive works fund”. This is due to the nature of the works as they are not readily visible and due to the flooding issues in recent years, flexibility to react must be maintained to manage the asset and the impact of flooding on communities. There is also an allocation made for lining and contributions to schemes which is based on previous years’ experience of reactive need.
32. A further £50k has been made available in each year’s budgets to enable the authority to contribute to schemes of other authorities (including the Environment Agency) where parts of those proposed schemes cross over with the responsibilities of the County Council.
33. Bridges schemes are identified for 2014/15 & 2015/16. It is not practicable to have advanced design in the majority of cases as similarly the impact on full cost budgets and the highway network are prohibitive. The costs for traffic management and destructive material testing in these cases would not provide value for money in all cases and therefore the schemes are presented with a higher contingency within the budget figure. In addition, a reactive works fund is established based on experience of retaining walls works required within year and to deal with problems arising from underwater scour inspections.
34. Network Rail Electrification – A budget for the betterment associated with bridge decks being replaced or renewed has been assigned. This budget ensures that opportunities to make improvements to the highway network during works to several Network Rail bridges are taken which otherwise could prove extremely costly for the council to implement.
35. The constraints on Network Rails programme have been such that it has not been possible to influence the works as much as had been hoped and therefore £2.3m has been released back into the capital programme.

36. Street Lighting column replacements and essential pole bracket replacements are identified for 2014/15 and for the first time a second year programme has been identified for 2015/16.
37. Oxford City's Section 42 allocation is based on a combination of capital and revenue maintenance activities. The City's qualifying capital schemes for carriageways and footways are included within the programme and the budget allocation is made to the city council for the delivery of these schemes. The City's surface dressing allocation is based on a proportional split of the County's surface dressing budget (capital). The City also receives a revenue allocation which is based on a proportion (relevant to the network length) of the County's allocations for relevant routine maintenance activities.

Systems & Inventory

38. The Council's highway network comprises over one million individual items of apparatus. A detailed knowledge of the location, type and condition of the highway inventory is vital to the establishment of appropriate service standards and efficient maintenance regimes. The Council has also a statutory duty in accordance with the new Flood & Water Management Act to publish a register of flood structures for interrogation by the public during 2011.
39. The Council has a framework of inventory and attributes visible on GIS that can be easily updated. It is a main requirement of the current Highway Services Contract to update the inventory as part of the routine day to day business to ensure data is current and easily able to be interrogated. There is also a pressing business need to digitise our large stock of highway records and plans. The service is therefore reviewing its systems for inventory management across all of the relevant asset categories.

Additional Pressures

40. The Asset Management team are continuing to assess the implications of new guidance relating to the exposure, treatment and disposal of coal tar and derivatives. These substances are found in many existing road constructions and are classified as hazardous waste. It is now known that coal tar will be identified at many locations on our network, however, the financial implications of dealing with the problem will only become clearer after further site investigation work and research has been carried out on each location. Where its presence is detected we may have to recycle material on site, or remove it to special treatment facilities or to the approved disposal sites. As a result of this there are several "donor" schemes identified within the forward programme that have "treated" ex-situ recycled material used to avoid costly hazardous waste disposal costs.
41. In the absence of further advice from government agencies, our approach to dealing with this problem is to undertake early site coring and testing and to design maintenance treatments to limit disturbance of the coal tar as far as possible or, where feasible, to utilise suitable on-site recycling methods that

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should help reduce disposal costs. Consequently, dealing with the coal tar will add significant costs in addition to the extra cost of increased coring and testing if recycling options and donor schemes cannot be found and the resultant material has to be disposed of as hazardous waste.

42. Embankment Stabilisation – The service continues to monitor the sites where embankment stabilisation was identified as being potentially problematic last year. There are 7 sites of strategic network importance that are currently being monitored which would need to be addressed without delay if slippage is imminent, a provisional budget allocation has been included within the earmarked reserves of the capital programme for this purpose. Whilst there continues to be some movement at these sites there has been no indication of an imminent slippage similar to that which occurred at Oxford Road in Bagley Wood in December 2012.
43. Works to restore the carriageway at Bagley Wood has recently been completed and the road was reopened before Christmas as programmed.

Report by
Mark Kemp
Deputy Director - Commercial
Environment & Economy
Mark.kemp@oxfordshire.gov.uk
Telephone 01865 815807

Transport Asset Management Plan Capital Programme Summary 2013/14 to 2017/18

	Current Year	Firm Programme	Provisional Programme			Total	Current Capital Programme £'000s	Movement £'000s
	2013 / 14 £'000s	2014 / 15 £'000s	2015 / 16 £'000s	2016 / 17 £'000s	2017 / 18 £'000s	£'000s		
Carriageway Schemes (non-principal roads)*	3,066	3,668	2,831	3,280	3,281	16,125	12,004	4,121
Footway Schemes	1,506	1,334	1,250	1,335	1,353	6,778	5,070	1,708
Surface Treatments	3,741	3,752	3,753	3,875	3,888	19,009	14,161	4,848
Street Lighting Column Replacement	500	500	490	490	490	2,470	1,880	590
Drainage	1,100	950	945	930	922	4,847	3,649	1,198
Bridges **	619	2,478	917	452	441	4,907	3,671	1,236
Public Rights of Way Foot Bridges	8	192	100	100	100	500	400	100
Additional Maintenance Works	2,312	1,239	0	0	0	3,551	3,551	0
TOTAL	12,851	14,113	10,286	10,462	10,474	58,186	44,386	13,800

Current Capital Programme	13,336	13,227	8,144	9,679	0	44,386
Movement	-485	886	2,142	783	10,474	13,800

Additional year annual allocation	11,500
Unrequired funds returned from reserve for rail electrification betterment works	2,300
Total additional funds	13,800

Major Schemes and other items (not including those completing in 2013/14)

	Previous Years Spend £'000s	2013 / 14 £'000s	2014 / 15 £'000s	2015 / 16 £'000s	2016 / 17 £'000s	2017 / 18 £'000s	Total Budget £'000s
Network Rail Electrification Bridge Betterment Programme	0	20	2,410	486	0	0	2,916
Thames Towpath Reconstruction	71	215	309	0	0	0	595
A4130 Bix dual carriageway	344	150	4,006	430	0	0	4,930
A420 Shrivenham Bypass	85	200	2,773	362	0	0	3,420
A420/A34 Slip Road		0	72	564	514	0	1,150
Total	500	585	9,570	1,842	514	0	13,011

* includes £0.080m allocation for Woodstock Road to be transferred to Radcliff Observatory Quarter improvement scheme

** includes £1.130m allocation for Isis, Weirs Mill, and Kennington bridges to be transferred to Kennington Interchange major scheme

TRANSPORT ASSET MANAGEMENT PLAN- STRUCTURAL MAINTENANCE PROGRAMME 2014/15 and 2015/16					
ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
ASSESSED CARRIAGEWAY SCHEMES - (NON-PRINCIPAL ROADS PROGRAMME)					
A- NON- PRINCIPAL ROAD PROGRAMME					
	Stanford in the Vale	High Street & The Green	244,879		
	Radley	Thrupp Lane		78,000	Deferred from 2014/15 to 2015/16
	Oxford City (S42)	Pembroke Street, St Aldates to St Ebbes Street		61,000	Deferred from 2014/15 to 2015/16
	Oxford	Park End Street (Worcester Rbt to Holybush Row)			Transferred to 2016/17 for co-ordination with the Frideswide/Station works programme but may need to be brought forward again. Latest estimate £346,885.
TOTAL NON-PRINCIPAL ROAD SCHEMES			244,879	139,000	
B- VALUE ENGINEERED SCHEMES PROGRAMME					
	Abingdon	A415/A34 Marcham Interchange Rbt			Brought forward from 14/15 to 13/14
	Oxford City (S42)	Mere Road			Removed from 14/15 programme as patched and surface dressed
	Didcot	Station Road	83,253		Pre GW2 Estimate
	Thame	Thame Park Road (Altingham Toll House Bend)	67,199		
	Kennington	The Avenue Section 2 (St Swithuns Rd to Kennington Rd)	208,770		
	Witney	Corn Street	279,666		
	Abingdon	Preston Road	257,066		
	Thame	Cornmarket	160,672		
	Cumnor	B4044 Eynsham Road corner	634,671		
	Watlington	B480 Cuxham Road Roundabout	84,414		
	Oxford	A420 London Road	490,000		
	Oxford City (S42)	Hayfield Road	38,954		
	Oxford City (S42)	Osler Road	205,885		New Entry
	Oxford	A4144 Woodstock Road	80,000		New Entry (Contribution) - Transferred to Oxford Woodstock Rd ROQ scheme
	Banbury	Westbar Street	153,340		New Entry
	Berinsfield	Fane Drive	139,392		New Entry
	Shipton Under Wychwood	Milton Road	126,522		New Entry
	Kennington	The Avenue Section 1 (Sandford Rd to north of Playfield Rd)	130,944		New Entry
	Abingdon	Drayton Road		232,531	
	Didcot	A4130 Didcot Perimeter Road		402,480	
	Banbury	Hennef Way Roundabout		475,200	
	Didcot	A4130 Power Station Roundabout		103,728	
	Oxford City (S42)	Sandy Lane West		198,961	
	Didcot	Broadway		186,615	
	Oxford	A40 Thornhill Park & Ride		429,660	
		Residual Design for 14/15	10,000		
		Advance Design	197,000	160,000	
		Advance Site Investigation	75,000	50,000	
		Contingency Allowance		452,362	7%
TOTAL VALUE ENGINEERED SCHEMES			3,422,748	2,691,537	
TOTAL ASSESSED CARRIAGEWAY SCHEMES			3,667,627	2,830,537	

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
COMBINED SAFETY SCHEMES PROGRAMME					
	Banbury	A361 Southam Road + R/about , Banbury 100 inlay	167,077		Deferred from 13/14 to 14/15
	Aston Rowant	A40 Aston Hill Bend 1+2+3 Retexturing / lining/ draiange	106,870		Deferred from 13/14 to 14/15
	Kirtlington/W-ot-G	B430 Kirtlington/Weston on the Gr - Akeman St Draiang, signs and lining	11,068		
	Wardington	A361 Wardington - Wardington Road 100 Inlay	98,003		
	Hardwick	B4100 Hardwick Junction Patch / SD /lining	49,264		
	Thame	B4012 Thame Park Road, Bow bridge 100 inlay /1.2m edge haunching	104,939		
	Chalgrove	B480 Cutmill, nr Chalgrove 85 overlay / Inlay	61,148		
	Carteton	B4020 Shilton Dip (Nr Carterton) 100 inlay / overlay/ 1.2m edge haunching	113,693		
	Bicester	A4421 Bicester, Peregrine Way 85 Inlay, lining	119,695		
	East Hendred	A417 Reading Road, 100 inlay / overlay		180,700	13/14 Reserve scheme
	Signs		20,000		
	Design	Including advanced investigation and design	90,000		
	Residual 13/14 design		75,000		
	Programme to be confirmed			901,543	
	Contingency Allowance			225,184	11%
TOTAL COMBINED SAFETY SCHEMES			1,016,757	1,307,427	
ROUTINE SURFACE DRESSING SCHEMES PROGRAMME					
		A3400 - Chapel Hse - Over Norton	31,500		
		A3400 - Southcombe - Chapel House	31,500		
		A361 - Swerford - Chapel Hse	84,000		
		A4095 Enslow	16,200		
		A44 - Woodstock /Manor Rd	10,500		
		B4026 - Over Norton	18,000		
		B4030 - Lower Heyford	27,000		
		B4030 - Rousham - Hopcroft Halt	23,400		
		B4100 Bainton - Swift Hse	50,400		
		Caversfield	16,530		
		Kingham - B4450	19,800		
		MUW - Fifield	26,250		
		Waterloo Crossroads/Bainton	30,690		
		Williamscot - Chacombe	13,050		
		Cholsey Hill, Cholsey	20,745		
		Huntercombe End Lane, Nuffield	17,019		
		Kingsey Road (east), Thame	35,001		
		The Green, Stadhampton	8,040		
		Watlington Road, Benson	10,800		
		Cutmill Nr Cuxham B480	31,350		
		A4130 Didcot Marsh to Tesco RAB	6,195		
		A4130 Didcot Sires Hill to Slade RAB	32,550		
		A418 Aylesbury Road Thame	26,265		
		Great Hasely	10,908		
		A4155 Shiplake	28,770		
		A4155 Marlow Rd Henley	29,160		
		A417 Haddenham Road Thame	6,300		
		Barrow Road Shippon	20,376		
		Tumbledown Hill/Cumnor Rd	45,000		
		Green Lane Bayworth	9,150		
		Milton Road Drayton	28,800		
		Brize Norton Road Carterton	12,240		
		Swinbrook Road Carterton	10,890		
		A420 Between A417 Roundabouts	16,875		

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
		Tulwick Lane Grove	4,950		
		A415 Abingdon Road Standlake	27,000		
		A420 Besselsleigh	47,775		
		A420 from j/o A417 to Wadley Manor	31,200		
		A4165 Banbury Road - ST. GILES TO PARKS ROAD	9,802		
		A4165 Banbury Road - PARKS ROAD TO SOUTH PARADE	6,180		
		A4165 Banbury Road - BARDWELL ROAD	1,097		
		A4165 Banbury Road - NORHAM ROAD TO BARDWELL ROAD	3,740		
		A4165 Banbury Road - BARDWELL ROAD TO LINTON ROAD	5,554		
			6,517		
		A4165 Banbury Road - LINTON ROAD TO BELBROUGHTON ROAD			
		A4165 Banbury Road - BELBROUGHTON ROAD TO MARSTON FERRY ROAD	6,290		
		A4165 Banbury Road - MARSTON FERRY ROAD TO DIAMOND PLACE	4,301		
		A4165 Banbury Road - HAMILTON ROAD TO LONSDALE ROAD	3,864		
			10,631		
		A4165 Banbury Road - HERNES CRESCENT TO HAMILTON ROAD			
		A4165 Banbury Road - HERNES CRESCENT TO WENTWORTH ROAD	3,190		
			8,541		
		A4165 Banbury Road - WENTWORTH ROAD TO CARLTON ROAD			
		A4165 Banbury Road - CARLTON ROAD TO CUTTESLOWE ROUNDABOUT	3,920		
		A4165 Banbury Road - CUTTESLOWE ROUNDABOUT TO HAREFIELDS	3,092		
		A4165 Banbury Road - HAREFIELDS TO JORDAN HILL	11,343		
		A4165 Banbury Road - JORDAN HILL TO END	11,547		
		B480 Cowley Road - Bartlemas Close to Howard Street	6,414		
		B480 Cowley Road - Dawson Street to Juene Street	4,568		
		B480 Cowley Road - Divinity Road to Southfield Road	3,465		
		B480 Cowley Road - East Avenue to Manzil Way	2,358		
		B480 Cowley Road - Howard Street to Shelley Road	11,119		
		B480 Cowley Road - Juene Street to Union Street	5,454		
		B480 Cowley Road - Magdalen Road to Bartlemas Close	3,743		
		B480 Cowley Road - The Plain to Dawson Street	1,269		
		B480 Cowley Road - Shelley Road to Marsh Road	9,848		
		C16101 Evans Lane	12,390		
		C16101 Evans Lane Service Road	1,548		
		C16093 Mill Street	10,482		
		A44 WOODSTOCK ROAD - RUTTEN LANE TO SCIENCE PARK	9,627		
		A44 WOODSTOCK ROAD - LANGFORD LANE TO BEGBROKE	16,040		
		A44 WOODSTOCK ROAD - BEGBROKE TO LANGFORD LANE	17,998		
		A44 WOODSTOCK ROAD - BLADON ROUNDABOUT TO WOLSEY COURT	14,576		
		A44 WOODSTOCK ROAD - WOLSEY COURT TO LANGFORD LANE	11,300		
		lines /studs and markings.	280,000		
		Design	35,000		
		Fees	144,342		
		Carriageway Retexturing	100,000		
		s42	168,000		
		15/16 programme to be identified		1,450,000	
		Programme contingency		145,673	4%
		TOTAL SURFACE DRESSING SCHEMES	1,885,327	1,595,673	
		SURFACE DRESSING PRE-PATCHING SCHEMES	850,000	850,000	
		TOTAL SURFACE TREATMENTS	3,752,084	3,753,100	

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
FOOTWAYS PROGRAMME					
	Oxford City (S42)	Catte Street	62,070		
	Oxford City (S42)	Wellington Square	58,443		
	Oxford City (S42)	Brasenose Lane	27,821		
	Oxford City (S42)	Oriel Square	29,485		
	Oxford City (S42)	Harebell Road	77,688		
	Kennington	The Avenue	62,835		
	Chipping Norton	Over Norton Road	17,624		
	Henley	West Green	33,137		
	Horspath	College Way	54,480		
	Marston	Marston Road	42,140		
	Culham	Sutton Bridge, Abingdon Road	9,561		
	Thame	Queen's Road	50,705		
	Didcot	Brasenose Road	20,471		
	Wallingford	Wallingford Bridge	16,757		
	Middle Barton	North Street	11,353		
	Ardley	Station Road	6,303		
	Banbury	St Leonard's Close	21,478		
	Milton-Under-Whychwood	Frog Lane	13,424		
	Henley	Northfield End	17,428		
	Banbury	Link Footway - Waller Drive / Browning Road			Scheme duplicated
	Oxford	A40 Northern Bypass Layby Westbound near Cherwell Bridge Footway	13,554		
	Didcot	Ladygrove Loop	39,755		New
	Banbury	Footpath Link from Bloxham Rd to Byron Rd	40,077		New
	Witney	B4022 Oxford Hill	4,695		New
	Oxford	High Street Magdalen Bridge	88,209		New
	Didcot	St John's Close	22,106		New
	Henley	St Andrew's Road (N)	73,664		New
	Abingdon	Drayton Road (West side)	13,410		New
	Henley	St Andrew's Road (S)	70,695		New
	Wantage	Upthorpe Drive	78,461		New
	Crowmarsh Gifford	The Street	21,674		New
	Curbridge	Well Lane	26,759		New
	Ardley with Fewcott	Castlefields	27,807		New
	Didcot	Lydalls Road	24,389		New
	Banbury	Nuffield Drive	57,736		New
	Tetsworth	A40 Tetsworth Atlington Stud Footway		21,000	deferred from 14/15 to 15/16
	Chinnor	Elderdene		72,770	
	Chilton	Elderfield Crescent		35,757	
	Cholsey	Pound Lane		26,013	
	Hanborough	Churchill Way		94,264	
	Henley	Makins Road		86,711	
	Abingdon	Cherwell Close		38,560	
	Wiggington	Wiggington Road		43,976	
	Kennington	The Avenue (Section 1)		54,313	
	Grove	Mayfield Avenue		73,099	
	Oxford City (S42)	Giles Road		105,758	
	Oxford City (S42)	Nicholas Avenue		38,851	
	Oxford City (S42)	Mill Lane		118,224	
	Kidlington	South Avenue		108,058	
	Hanborough	Witney Road Long Hanborough		10,666	
	Cholsey	Brookside		20,389	
	Finmere	Chinnals Close		31,842	
	Residual Design for 14/15		10,000		
	Advance Design		88,088	80,000	
	Contingency Allowance			189,994	8%
	TOTAL FOOTWAYS SCHEMES		1,334,282	1,250,245	

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
		DRAINAGE SCHEMES			
	Oxford, Florence Park, Cowley	Contribution to flood relief works for Campbell Road	40,000		Deferred from 13/14 to 14/15
	A41 Wendlebury Stream to Bicester	Continue existing works - ditch regrade	60,000		New scheme
	A40 A415 slip to A40 B4477, Witney	Drainage Repair	100,000		
	Ascott Under Wychwood The Green	New drain	25,000		
	Bampton, Various	Repair Asset Report Defects	0		Removed as jetting survey work carried out solved the problem
	Black Bourton	Replace Outfall Pipe	25,000		
	Filkins And Broughton Poggs	New highway drainage system	63,000		New scheme
	Kiddington Canyon	Provide channel & connect to existing	30,000		
	Kiddington, Springfield Road & Edinburgh Place	Improve existing system	0		Scheme brought forward to 13/14
	Littleworth, Buckland Road	Provide 150mm system	12,000		
	North Leigh, East End	Improve existing systems	25,000		
	Salford, Lower End	New highway drain	20,000		
	South Leigh	Upsize Culvert	20,000		
	Witney, West End	Drainage Investigation & Repair	20,000		
	Wroxton, Main Street (Phase 3)	Replace stone drain	0		Removed as urgent work completed in 13/14
	Stonesfield, Cockshott Close	Improve existing system		40,000	deferred from 14/15 to 15/16
	Banbury Acorn Road	Highway Drainage Improvements		20,000	
	Bladon A4095 Grove Lane Jct with Park Street	Repair and replace damaged Culvert and System		30,000	
	Bloxham Painters Close	Upsizing pipe and new outfall		20,000	
	Botley Cumnor Road / eynsham Road	New Gullies and connect pipe to surface water sewer		20,000	
	Burcott Park	New soakaway			Deferred to 16/17
	Compton Beauchamp	Additional pipework and Gullies		20,000	
	Cothill	New Highway Drain		20,000	
	East Lockinge to Betterton	Additional Highway Drainage		20,000	
	Fernham High Street	Replace Culvert		20,000	
	Fulbrook, Manor Farm Westall Hill	New Drainage System		15,000	
	Hempton Duns Tew Road	New Drainage System		20,000	
	Launton Station Road	New pipework to prevent pond from flooding road		15,000	
	Lew Yelford Road ??	Culvert and additional drainage			Deferred to 16/17
	Steventon Mill Lane	Additional pipework and gullies		20,000	
	Westcot	Highway drian replacement		20,000	
	Countywide	Investigations for schemes	50,000	50,000	
	Countywide	Lining	30,000	30,000	
	Countywide	Drainage Design Costs	80,000	80,000	
	Countywide	Emergency Works	300,000	295,000	
	Countywide	Contributions	50,000	50,000	
		Contingency		140,000	8%
	TOTAL DRAINAGE SCHEMES		950,000	945,000	

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
		BRIDGES PROGRAMME			
		ANNUAL FUNDS			
	Assessment of disused rail bridges (12 approx)	Inspection & Assessment of BRPB Bridges	30,000		
	Principal Inspection and Assessment	Inspection and assessment work.	99,000	150,000	
	Newbridge Maintenance & Monitoring	Special Inspections for weak bridge	10,000	11,000	
	Wovercote Temp Lights	Load mitigation until replacement bridge is constructed	4,000	4,000	
	Brickfield Subway Recon Fund	Ongoing annual capital contribution to future structure replacement	7,000	7,000	
		SCHEMES			
	Cottesmore Footbridge 6068	Post-tensioning review, Concrete Repair, Waterproofing, Joints, Parapets height. Pier protection?	34,000		Carry forward from 13/14 to 14/15.
	Winterbrook Bridge	Joints/drainage, access hatch safety, security and leakage, parapet upstand cladding connection and WP investigation and settlement monitoring.	30,000		Carry forward from 13/14 to 14/15.
	Stert Culvert Repairs.	Strengthening of 100m section.	280,000		Carry forward from 13/14 to 14/15.
	Gaunt House Mill	Testing, Concrete repairs, waterproofing and resurfacing.	106,000		Carry forward from 13/14 to 14/15 and increase budget
	Upgrade of low bridge signage	Low Bridge signage review and metrification	15,000	35,000	Transfer from 13/14 to 14/15 and from 14/15 to 15/16
	West Mill	Resurfacing (existing is failing)	40,000		
	Weirs Mill Post-tension Inspection	Post tensioning inspection , assessment			
	Kennington rail substructure	Post-tension inspection and assessment, repairs RC	80,000		Transfer of funding within 14/15
	Tomkin's Bridge 0360	BDE coned down to 1 lane. One end requires widening/ reconstruction		60,000	} New schemes
	Ickford Bridge 0076	BDE repointing and signalise to reduced damage and vibration on bridge. Approximately 190m length under signals.		80,000	
	Heath Bridge	BDE Investigation and probable deck replacement	400,000		
		OTHER PROGRAMME ITEMS			
	Scour works identified from the 13/14 in-house scour inspections.	Scour repairs etc for Astall 0008, Enslow 0055, Minster Lovell 0085, Somerton 0089, Pudicote 0247, Lyneham 0248, Widford 0294, Ironbridge 0378, Swailsford 0380, Tittford 0400, Friars Mill 5 0796 & Godstow 1064.	250,000		
	Scour works identified from further inspections.			350,000	
	Reactive works fund	To cover unprogrammed urgent structure defects that materialise during the year, e.g. joint failures, retaining wall collapses		50,000	
	CONTINGENCY	CONTINGENCY		170,000	
					8%
		MAJOR SCHEMES			
	Isis Bridge Waterproofing				
	Weirs Mill Major Maintenance		1,093,000		Funds transferred to Kennington major scheme
	Kennington road and railway	higher contingency held in 2015/16 until more information known			
	TOTAL BRIDGES SCHEMES		2,478,000	917,000	(£1,385,000 14/15 excluding major schemes)

ID	Parish	Road Name	2014/15 Costs (£)	2015/16 Costs (£)	NOTES
	STREET LIGHTING				
	Pole Replacement				
	Abingdon	St Amand Drive	£22,000		
	Abingdon	Hedgemoad Ave	£35,000		
	Adderbury	Deene Cl	£18,000		
	Kidlington	The Moors	£35,000		
	Didcot	Broadway	£20,000		
	High Street	Steventon	£34,000		
	Banbury	Various roads	£60,000		
	Harwell	Abingdon Road, Harwell Rd	£35,000		
	Grove	Albermarle Drive Area	£19,000		
	Shrivenham	Martens Cl Area	£12,000		
	Oxford	Various roads	£182,000		
	Oxford - Various Roads			£170,000	
	Abingdon - Various Roads			£85,000	
	Bloxham - Various Roads			£43,000	
	Charlbury - Various Roads			£34,000	
	Chipping Norton - Various Roads			£34,000	
	Henley - Various Roads			£74,000	
	Didcot - Various Roads			£50,000	
	Pole Bracket Replacements				
	Hornton		£5,000		
	Milcombe		£7,500		
	North Newington		£6,000		
	Shutford		£4,500		
	Sibford Ferris		£5,000		
	TOTAL STREET LIGHTING SCHEMES		500,000	490,000	
	Public Rights of Way Footbridges				
	Upper Heyford		95,000		
	Drayton St Leonard		97,000		
	South Leigh Footpath 34 (footbridge)			40,000	
	Hardwick Footpath 5 (Footbridge)			40,000	
	Programme contingency			20,000	7%
	TOTAL PROW		192,000	100,000	
	TOTAL STRUCTURAL MAINTENANCE ANNUAL PROGRAMMES		12,873,993	10,285,882	