

## WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the Finance and Management Overview & Scrutiny Committee  
held in Committee Room 1, Council Offices, Woodgreen, Witney, Oxon  
at 2.00 pm on Wednesday 3 December 2014

### PRESENT

Councillors: C G Dingwall (Chairman), T J Morris (Vice-Chairman), A J Adams, Mrs J C Baker, J C Cooper, D A Cotterill, H G Davies, P J G Dorward, S J Good, H J Howard, Dr E M E Poskitt, A H K Postan and G Saul.

Also Present: S J Hoare

#### 30. MINUTES

**RESOLVED:** That the minutes of the meeting of the Committee held on 24 September 2014 be approved as a correct record and signed by the Chairman.

#### 31. APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

Apologies for absence were received from Mr E H James.

#### 32. DECLARATIONS OF INTEREST

There were no declarations of interest from Members or Officers in matters to be considered at the meeting.

#### 33. PARTICIPATION OF THE PUBLIC

No submissions were received from the public in accordance with the Council's Rules of Procedure.

#### 34. CHAIRMANS ANNOUNCEMENT

Mr Dingwall advised that he would be taking Agenda Item No. 10 – Budget 2015/2016 before Item No. 5.

#### 35. BUDGET 2015-2016

The Committee gave consideration to the report of Frank Wilson, Strategic Director, seeking consideration of initial draft base budgets for 2015/16, draft fees and charges for 2015/16 and the latest Capital Programme for 2014/15 revised and future years.

Mr Hoare, Cabinet Member for Resources, introduced the budget and reminded the committee that it was subject to change and highlighted the implications of the autumn statement and changes such as reduction in grant from the Department for Work and Pensions.

Mr Hoare advised that it was a balanced budget and key items in the proposals included maintaining the current grants budget, an increase in the living wage and an allocation for the national pay award. Mr Hoare outlined savings targets together with budget growth to meet costs arising from Oxfordshire County Council (OCC) financial cuts. The committee was advised that the additional costs could be absorbed at this time. Mr Hoare reported that no increase in council tax was proposed and free car parking would be maintained.

In respect of consultation with the Overview and Scrutiny Committees Mr Hoare advised that Economic and Social had made a suggestion regarding funding for the domestic violence service. It had now been clarified that OCC cuts for this service would not be implemented until 2016 but the matter would be revisited in the 2016-2017 budget.

The GO Shared Services Head of Finance indicated that the national pay award was lower than anticipated and this would be adjusted within the budget. The budget summary and aspects of the budget specific to the committee were outlined.

Mr Cooper, whilst acknowledging that the announcement had only just been made, asked if changes to the business rate calculations would have an impact. Mr Cooper suggested that the council had always been prudent with its finances. In respect of domestic violence Mr Cooper indicated that the Police Commissioner may also be providing some funding towards services.

Mr Cooper referred to the use of the Guildhall in Chipping Norton by the town council at a zero rent. The Strategic Director advised that this accorded with a decision taken in 1973 which allowed the town council to access and use the facility at nil cost. Mr Cooper suggested that the situation had changed since then and the position was no different to other local councils that had also transferred assets to the then new district council. Mr Cooper indicated that some equity was needed. The Strategic Director acknowledged that the situation could be reviewed but other issues may impact in any event. It was agreed that a report be presented at a future meeting.

Mr Good, in supporting the budget, expressed some concern that budgets for dog warden services and public conveniences exceeded those for flooding and this may need to be reconsidered at some point. Mr Hoare advised that the district council now had a statutory responsibility for dogs and that public conveniences were important in a tourist area. Mr Hoare advised that the Environment Agency (EA) also spent on flood defences and the budget covered the district council element.

Mr Good questioned whether the EA had invested sufficiently in the district. The Strategic Director reminded members that OCC was the principal flood authority and the revenue budgets covered the cost of running the service. It was emphasised that there was also capital investment through Section 106 monies and other grants which facilitated works.

Mr Cotterill concurred that it was a positive budget and asked if the final outturn was likely to be closer to £9m. Mr Cotterill also sought further information regarding transfer payments and whether these could be reduced. The GO Shared Services Head of Finance advised that the transfers related to benefits and council tax and there was a matching figure in the subsidy section. In respect of final outturn it was advised that this was difficult to assess but it was likely to be less than estimate and there was currently an underspend.

Mr Hoare highlighted the importance of the on-going shared services project and its role in helping deliver a balanced budget through savings. The Strategic Director urged some caution in making comparisons to previous budgets as there had been some technical accounting changes.

Mr Adams referred to trade waste collections and highlighted that costs had risen significantly. The GO Shared Services Head of Finance clarified that this was primarily due increased charges by OCC for tipping and was a worst case scenario. Mr Hoare suggested that it was an issue that the council had to use OCC facilities and was something that may need to be looked at again. The Strategic Director advised that charges had increased 30% in the last two years.

Mr Morris highlighted that third party payments for waste collection and recycling had increased. The GO Shared Services Head of Finance advised that this related to contractual agreements and an increase in the number of properties in the district.

Mr Morris referred to reduce income on landscape maintenance and an increase on expenditure for leisure and tourism. In response it was advised that there had been some budget changes on landscape services and the proposed cut in funding for grass cutting by OCC was included. Confirmation was given that there was no growth in budgets and there had been cuts in the leisure budget due to OCC withdrawing swimming funding for dual use facilities.

Mr Dingwall summarised the discussion and suggested that there were a lot of safety valves within the budget which was a sensible approach. Mr Dingwall highlighted that the New Homes Bonus was below figures in the draft local plan. The Strategic Director advised that this should be deliberated as part of the Medium Term Financial Strategy that would be considered later in the meeting.

**RESOLVED:** That the Cabinet be advised that the committee notes the present position in respect of the 2015/2016 budget.

### 36. SOLAR PHOTOVOLTAIC (PV) GENERATION ON ROOF SPACES

The Committee considered the report of Frank Wilson, Strategic Director and received a presentation from Steven Morris, Head of Energy Saving & Production at Peterborough City Council and Dean Wincott, Mears Group, on the costs and benefits of installing Solar Photovoltaic (PV) cells on municipal assets. A copy of the presentation is appended to the original copy of these minutes.

The Strategic Director reminded members that this item had been added to the work programme and the committee was looking at the issue from an asset management perspective. It was explained that Peterborough City Council operated a framework that could be accessed by other authorities. The committee was advised that a desktop exercise on a scheme at Carterton Leisure Centre had been undertaken as an example.

During the presentation Mr Morris and Mr Wincott explained how the framework operated, costs for accessing the service, funding options and the products available.

Mr Howard referred to placing panels on industrial units and asked how this affected any lease arrangements with tenants. Mr Morris advised that liaison with tenants was important and it could be emphasised to tenants that they would also benefit from reduced utility costs.

Mr Howard highlighted improved PV technology and sought clarification on how the panels operated and whether there could be improved returns as a result of development in technology. In response it was advised that panels operated on radiation rather than direct sunlight so power could be generated on duller days and the desktop exercise indicated an 85% efficiency rating for Carterton Leisure Centre. In respect of financial returns it was highlighted that feed in tariffs would be less but the cost of panels was likely to reduce.

Mr Cooper suggested that there was a persuasive case for exploring the issue further and highlighted that Cottsway Housing had already fitted panels to a lot of their properties. Mr Cooper indicated that the business case would need to be fully tested but there was potential to reduce carbon output and provide an income stream. Mr Dingwall concurred that there were opportunities for the council to develop a role as an energy provider.

(Mr Hoare left the meeting at this juncture)

Mr Good referred to other products such as LED lighting and biomass and that a wider brief could be looked at. Mr Wincott explained that these operated under different frameworks with other companies.

The Strategic Director advised that options would need careful assessment particularly with regard to existing contracts, leases and other constraints. It was clarified that a new leisure contract was due for implementation from November 2016 and it would be possible to include PV requirements in pre contract documents if necessary.

Dr Poskitt referred to electricity having to be used immediately as storage was not possible. Mr Wincott acknowledged that sometimes there needed to be a change in routine to use electricity generated at the optimum time. However there were significant developments in storage with much smaller batteries becoming available.

In response to Mr Good it was advised that wind power was not feasible. Mr Postan asked what happened to the panels after the end of a contract period or if technology was superseded. Mr Wincott advised that the panels would still be efficient at the end of the contract so there were various options but members needed to be aware that feed in tariffs would no longer be available.

Mr Dingwall sought feedback on how best to take matters forward. The committee agreed that more detail was required but there was merit in looking at the potential for PV further. The Strategic Director suggested that officers could look at the issue and bring a report back and this was agreed by the committee.

Mr Dingwall thanked Mr Morris and Mr Wincott for their attendance at the meeting

**RESOLVED:** That the presentation be noted and an options report be presented to a future meeting of the committee.

### 37. MAIN POINTS FROM THE LAST MEETING AND FOLLOW UP ACTION

The Committee received and noted the report of the Chairman, which gave details of the main points arising from its meeting held on 24 September 2014.

### 38. COMMITTEE WORK PROGRAMME 2014/2015

The Committee considered the report of Frank Wilson, Strategic Director, which gave an update on progress in relation to its Work Programme for 2014/2015.

Mr Dingwall suggested, and it was agreed, that the committee should monitor the 2020 vision project.

**RESOLVED:** That progress with regard to the Committee's Work Programme for 2014/2015 be noted subject to the addition of an item relating to the 2020 vision.

### 39. CABINET WORK PROGRAMME

The Committee received and considered the report of the Chief Executive, which gave members the opportunity to comment on the Cabinet Work Programme published on 11 November 2014.

**RESOLVED:** That the content of the Cabinet Work Programme published on 11 November 2014 be noted.

#### 40. REVISED MEDIUM TERM FINANCIAL STRATEGY 2014-2024

The Committee received and considered the report of Frank Wilson, Strategic Director, setting out the annual refresh of the Council's Medium Term Financial Strategy (MTFS).

The Strategic Director highlighted the main changes in the strategy and it was emphasised that there were a number of unknown factors but overall it was a positive picture but there would need to be continued efficiency savings to achieve the targets.

Mr Dingwall, whilst acknowledging the pressure on officers, suggested it would be beneficial to put resources in to examining options to generate more income. The Strategic Director reminded members that this would most likely involve capital investment.

(Mr Cotterill and Mr Davies left the meeting at this juncture)

Mr Cooper emphasised the importance of a prudent approach and sought clarification regarding the collection fund surplus, the impact of Universal Credit and whether it was possible to invest more money in the pension fund. The Strategic Director confirmed that an estimate of the collection fund surplus was included in the strategy and this now included council tax and business rates. In respect of Universal Credit this would commence in a limited form in January/February 2015 and the impact would need to be monitored. Finally it was acknowledged that additional money could be invested in the pension fund but advice would need to be taken if that was proposed and the money could not be withdrawn at a later stage.

Mr Good referred to planning issues in particular the increase in houses and associated potential for business growth and infrastructure that could create additional income. The Strategic Director confirmed that it was an issue that would be monitored.

Mr Howard highlighted the cap on the council in respect of council tax rises and suggested that as they did not have such restrictions the parish councils could precept more and the council could provide less grant funding. The Strategic Director clarified that the grant to local councils recompensed the fall in the tax base when council tax support was introduced. This came in the form of central government grant which was passed on to the towns and parishes. The amounts were not large and there could be issues with changing the process.

Mr Howard suggested it could be an issue to look at further. Mr Morris indicated that he felt the current system worked well and did not need to be changed. The committee noted that most parishes were in the process of setting their precept for the coming year so it was not an issue for immediate discussion.

Mr Postan asked about liaison with the planning department in respect of development and the possibility of increased business rates. The Strategic Director confirmed that staff were aware of major developments when they were given permission and built.

**RESOLVED:** That the Committee endorses the revised Medium Term Financial Strategy; spending targets and principles supporting it, as set out in the Appendices to the report.

#### 41. QUARTER TWO PERFORMANCE INDICATORS 2014/15

The Committee received and considered the report of the Joint Head of Business Information and Change giving details of the Council's performance as at the end of Quarter 2 2014/2015 relating to Business Information and Change, Customer Services, GO Shared Services, Democratic Services and Revenues and Strategic Housing.

Mr Dingwall highlighted indicator GOI and that it related to a number of long term sickness absences but there was no link to stress associated with changes at the authority.

Mr Howard referred to the relevance of some indicators and questioned whether RH5 and RH6 were sensible and what the criteria was for setting the targets. The Strategic Director advised that the indicators were likely to disappear in any event when responsibility for fraud investigation was transferred to a central agency. Mr Howard suggested that additional information could help put the indicators in context. The Strategic Director advised that could have resource implications and confirmed that the indicators were reviewed and changes made when necessary.

Mr Adams asked if the data in the indicators was required by central government. In response it was confirmed that some statistics were submitted and it was also useful management information.

**RESOLVED:** That the current position be noted.

42. MEMBERS QUESTIONS

There were no questions from members of the Committee.

The meeting closed at 4.00pm

CHAIRMAN