

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 15 July 2015

PRESENT

Councillors: T J Morris (Chairman), Mrs J C Baker (Vice-Chairman), J C Cooper, D A Cotterill, C Cottrell-Dormer, S J Good, H J Howard, A H K Postan, G Saul and G H L Wall

17. MINUTES

RESOLVED: That the minutes of the meeting of the Committee held on 3 June 2015 be approved as a correct record and signed by the Chairman.

18. APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

Apologies for absence were received from Mr A J Adams and Mr R A Langridge and the Chief Executive reported receipt of the following resignation and temporary appointment:-

Mr J C Cooper for Dr E M E Poskitt

19. DECLARATIONS OF INTEREST

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

20. PARTICIPATION OF THE PUBLIC

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

21. 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 3 June 2015.

21.1 Affordable Housing Working Party

Mr Morris advised that, following the decision to constitute a working party, an informal meeting had been held in March at which consideration had been given to alternative methods by which new affordable housing developments could be financed. It had been agreed that the purpose of the review should be to evaluate residential investment models to provide secure income for the Council and possibly extra affordable housing stock for the district. In addition, in order to focus future discussion, it was agreed that a scoping document be prepared for future consideration. The Economic and Social Overview and Scrutiny Committee had since appointed Mrs Doughty as its representative to the Working Party and Mr Morris suggested that a formal meeting of the Working Party be held in September or October to move the project forward.

Mr Howard made reference to the Chancellor's budget announcement regarding the proposed extension of the Right to Buy to Housing Association properties and affordable rents, seeking further information on the proposals. In response, the Strategic Director advised that details of the proposals had yet to be announced but that a report would be submitted to Members once more detailed information became available.

Mr Cottrell-Dormer questioned whether properties built on rural exception sites would also be subject to the extension to Right to Buy and suggested that a briefing on the impact of the proposals on affordable housing provision be given to all Members once the position could be clarified.

RESOLVED: That arrangements be made for a formal meeting of the Working Party to be held in September or October.

22. COMMITTEE WORK PROGRAMME 2015/2016

The Committee considered the report of Frank Wilson, Strategic Director, which gave an update on progress in relation to its Work Programme for 2015/2016.

In response to a question from Mr Cooper regarding progress of the Rural Broadband Project, the Strategic Director advised that public funding was now in place, Cotswold Broadband having secured conditional state aid clearance on 29 June. Arrangements for the private funding had now to be finalised and it was envisaged that contracts would be signed towards the end of August.

RESOLVED: That progress with regard to the Committee's Work Programme for 2015/2016 be noted.

23. 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 23 June 2015.

RESOLVED: That the content of the Cabinet Work Programme published on 23 June 2015 be noted.

24. 2020 VISION PARTNERSHIP UPDATE – PRINCIPLES AND ORGANISATIONAL MODEL

The Committee received and considered the Report of the 2020 Programme Team which set out suggested principles and the organisational model for the 2020 Vision Partnership and the proposed services/functions to be initially retained.

David Neudegg outlined the background to the 2020 project and summarised the progress made to date. He advised that a series of staff and Member briefings had taken place at which the general principles underpinning the 2020 project had been discussed and confirmed that a detailed business case would be produced for consideration by the partner authorities in September/October. He drew attention to the outcomes of the project set out at paragraph 3.8 of the report and the key objectives protecting local individuality and democratic independence outlined at paragraph 3.10.

Turning to the question of service delivery and design, he emphasised that, whilst there was merit in agreeing a collective approach across the partner authorities where possible, service standards, policies and procedures would remain the responsibility of each individual organisation (with each authority bearing the responsibility for the cost of any individual service enhancement).

In conclusion, he indicated that retention of democratic independence and autonomy, maintenance of local knowledge and identity, preservation and enhancement of service delivery, accountability and trust between the partner authorities were the critical factors against which success of the project would be judged.

Mr Good questioned how and by whom success in achieving the outcomes of the project would be judged. In response, David Neudegg advised that each service area would be subject to a service specification and performance measures. There was also a collective responsibility to see that services were delivered satisfactorily. He acknowledged that it was more difficult to measure the success of certain services empirically hence performance would be measured more informally through customer feedback. Each authority would be responsible for setting its own service standards and monitoring arrangements.

Mr Postan emphasised the importance of the human element in achieving success, retaining staff and the environment within which they operated. In response, David Neudegg acknowledged the concern and indicated that the proposed arrangements would offer greater flexibility and opportunities for staff than could be delivered through traditional hierarchical arrangements. There was a change in the skill sets required to deliver public services in future and the project would need good leaders in order to succeed. Accordingly, it was intended to create an empowering culture based upon best HR practices in terms of return and reward.

Mr Postan asked whether it would be possible to have sight of the response to the consultation process from staff. David Neudegg advised that concerns had been expressed in relation to job security, location, loss of local knowledge and the value placed upon and recognition given to staff and acknowledged the importance of responding to these. He indicated that he would be happy to circulate the responses received to Members.

Mr Cooper enquired whether call-in arrangements would differ between a Joint Committee and Teckal Company. It was indicated that a Joint Committee would be subject to the call-in procedures applicable within each partner authority but the position of a Teckal Company in this respect was unknown (although it might be possible to incorporate suitable arrangements within the Company's constitution). However, the Company would simply be responsible for service delivery and not for making decisions regarding service levels. Partner authorities would be able to address service delivery issues through overview and scrutiny arrangements in the same way as it would with other contracted service providers. In response to a request from Mr Postan it was agreed that arrangements by which a Teckal Company could be held to account would be addressed in the subsequent report.

In response to a question from Mr Cotterill, it was explained that a more detailed, costed business case would be submitted to each partner authority for consideration in September/October.

Mr Saul made particular reference to the proposals in relation to Planning Policy and Planning Administration and questioned how the principles underlying the programme would be implemented on the ground. David Neudegg indicated that there could be differentiation between those employed by the Council and those working for it. Some staff such as the planning officers could remain employed by West Oxfordshire whilst others, for example, in planning administration or enforcement, undertaking tasks common to all authorities could be employed elsewhere and work for one or more partner councils. Individual authorities would control service provision through contract specification and service standards, not by direct employment.

Mr Howard indicated that Cheltenham Borough Council differed in nature to the more rural partners and questioned whether this could give rise to difficulties. In response, David Neudegg advised that the 2020 programme was not about changing services. Individual authorities would continue to commission and pay for the level of service they required. It would be necessary for the project to adopt a practical approach and recognise the cultural differences between the partners.

Mr Howard expressed his support for the project, indicating that he expected it to work well, and questioned whether it would be possible to extend the partnership in future. In response, David Neudegg advised that, whilst the model had been designed to be adaptable, increased complexity in governance would tend to limit the number of full partners. It was more likely that other authorities would commission services from the partnership. Cherwell and South Northamptonshire districts had developed a similar model independently and David Neudegg suggested that on-going public sector reform would require different delivery models.

Mr Wall questioned whether the need for collective agreement would put pressure on the partner authorities to conform. In response, David Neudegg advised that, whilst uniformity in back office policies would be beneficial, in certain areas such as HR it was necessary to recognise differing market imperatives. In any case, each authority's individual policies would remain sacrosanct.

In response to a question from Mr Good it was indicated that, in November it had been estimated that the project would give rise to some £1.3Million in annual savings above the efficiency savings already generated. A detailed business case would be incorporated in the report to be submitted later in the year.

RESOLVED: That the information provided be noted.

25. THE GUILDHALL, CHIPPING NORTON

The Committee received and considered the report of Frank Wilson, Strategic Director, which gave details the commercial arrangements surrounding the occupation of the Guildhall by Chipping Norton Town Council.

Mr Cooper indicated that The Guildhall was a valuable asset and questioned why Chipping Norton Town Council was permitted to have free use of office accommodation within the building, particularly given that other local councils did not enjoy equally favourable terms.

In response, the Strategic Director advised that the arrangements had been made in 1973 when the property had been transferred to the District Council on local government reorganisation and questioned the merit of seeking to renegotiate terms at this stage.

Mr Saul and Mr Wall concurred with the Strategic Director's view and Mr Cottrell-Dormer proposed that no further action be taken in this respect. The proposition was seconded by Mrs Baker and on being put to the vote was carried.

RESOLVED: That the arrangements surrounding the occupation of the Guildhall by Chipping Norton Town Council be noted and no comments be made to the Cabinet.

26. COUNCIL TAX SUPPORT SCHEME - COLLECTION RATES

The Committee received and considered the report of Frank Wilson, Strategic Director, which gave details of collection rates of Council Tax for taxpayers who previously were in receipt of full Council Tax Benefit but under the new regime have to pay a minimum of 8.5% of full Council Tax irrespective of circumstances.

In response to a question from Mr Saul, the Strategic Director advised that it was not uncommon for taxpayers to claim financial hardship. Limited funding was available to assist those in genuine hardship and each case was assessed and considered individually. In every instance, the Council sought to work with the taxpayer to devise a workable solution. The Strategic Director also indicated that the minimum contribution of 8½% required by the Council from all working age households was at the lower end of the scale nationally.

Mr Good questioned whether the additional collection costs incurred negated the extra revenue received. In response, the Strategic Director advised that, given that the contribution required from working households was modest, there had not been any significant increase in collection costs.

Mr Howard asked if consideration had been given to increasing the minimum contribution. The Strategic Director indicated that the Council had continued to offer full relief in the first year following the change in the support scheme and introduced the minimum contribution rate of 8½% the year after, retaining that rate in the current year. Given that implementation of the current scheme had not been particularly problematic, and in view of the fact that any additional income falling to the District Council would be minimal, the Strategic Director cautioned against increasing the minimum contribution rate, particularly when considered against the background of wider welfare reform. The Strategic Director also noted that, whilst the Council's Government Grant had been reduced, other modifications to the Council Tax regime such as the withdrawal of second home discount meant that the change had been largely cost neutral. Further, any change in levels of contribution would have to be preceded by protracted public consultation but changes could be made in the future if necessitated by the Council's financial position.

Mrs Baker expressed her support for maintaining a low minimum contribution rate, indicating that to do so would assist the most vulnerable in society.

RESOLVED: That the collection rates be noted.

27. TREASURY MANAGEMENT ADVISORS

The Committee received and considered the report of Frank Wilson, Strategic Director, regarding the available options for obtaining Treasury Management advice when the current contract with Arlingclose comes to an end in the autumn.

It was proposed by Mr Cotterill and seconded by Mr Cottrell Dormer that Officers be advised that the Committee is of the opinion that the contract with Arlingclose should be extended for a further two years. Mr Postan noted that the current terms under which Arlingclose was retained represented good value for money. In response to a question from Mr Cottrell-Dormer, the Strategic Director advised that the contract for Treasury Management advice would have to be re-tendered in two years at the conclusion of the extension.

RESOLVED: That Officers be advised that the Committee is of the opinion that the contract with Arlingclose should be extended for a further two years.

28. ANNUAL INVESTMENT PROPERTY REVIEW

The Committee received and considered the report of Frank Wilson, Strategic Director, together with appendices containing exempt information regarding the Council's current property investments and their performance since the last review in July 2014. The Strategic Director drew attention to paragraph 3.12 of the report which outlined expiry dates. Whilst impending lease expiry represented a risk to the Council's income, it was envisaged that most existing leases would be renewed.

In response to a question from Mr Howard, the Council's Property and Estates Manager confirmed that tenants of the Carterton South Industrial Estate had been offered longer terms on their current leases and some companies had agreed terms. The Strategic Director noted that tenancies in Carterton were predominantly ground leases with tenants being responsible for buildings.

Mr Cooper indicated that current property values and rates of return detailed in the confidential appendix to the report evidenced the fact that the Council ought to have diversified its investments into property at an earlier stage.

Given the levels of return received, Mr Good questioned whether it would be beneficial to adjust the balance of the investment portfolio set out at paragraph 3.11 of the report. In response, the Strategic Director advised that the intention was to retain a balanced portfolio to avoid over-exposure in any particular field. He also advised that rates of return were dependent upon market conditions at the time of acquisition. In response to a further question, the Council's Property and Estates Manager advised that properties were valued annually based upon CIPFA guidelines taking account of factors such as investment and market value, existing use, market evidence and comparables and remaining tenancy terms.

Mr Wall questioned whether the Council could consider investing in the development of industrial property in the District. Whilst acknowledging that some authorities chose to follow that route, the Strategic Director advised that it had not been the Council's traditional practice to act as developer, leaving this role to the private sector.

In response to a question from Mr Cottrell-Dormer, the Strategic Director advised that, whilst the Council's current investment strategy did not envisage the purchase of further investment property, there was scope for some small scale strategic acquisition.

RESOLVED: That the performance of current property investments be noted.

29. MEMBERS QUESTIONS

There were no questions from Members relating to the work of the Committee.

The meeting closed at 3:45pm

CHAIRMAN