

## 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 30 March 2016

### PRESENT

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

#### 68. MINUTES

**RESOLVED:** That the minutes of the meeting of the Committee held on 3 February 2016 be approved as a correct record and signed by the Chairman.

#### 69. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr G H L Wall and the Chief Executive reported receipt of the following resignation and temporary appointment:

Mr J C Cooper attended for Dr E M E Poskitt

#### 70. DECLARATIONS OF INTEREST

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

#### 71. PARTICIPATION OF THE PUBLIC

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

#### 72. 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 February 2016.

##### 72.1 Rural Broadband Project

Mr Cotterill enquired as to the progress of the rural broadband project. In response, the Strategic Director advised that the project was now in the design phase and the Project Board was scheduled to meet shortly. The first two phases of the installation were to commence in the south of the District but, whilst British Telecom had provided high level data, the Company had not provided Cotswold Broadband with the premise level information necessary to conclude the design work. BDUK was also seeking to secure this data and the Leader of the Council was writing to British Telecom to request that it be made available without further delay.

The Strategic Director advised that the project had been the subject of discussion at Ministerial level.

#### 73. 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.

### 73.1 Affordable Housing Working Party/Extension of Right to Buy to Housing Association properties

Mr Howard questioned whether items 1 and 10 could be combined and considered by the Affordable Housing Working Party. In response, the Strategic Director advised that it was still uncertain how the extension of the Right to Buy would operate. In addition, the Affordable Housing Working Party had been cognisant that, whilst the Finance and Management Overview and Scrutiny Committee had a role to play in financial terms, certain aspects of affordable housing fell within the remit of the Economic and Social Overview and Scrutiny Committee. This was explored further in the notes of the Working Party which appeared later in the agenda.

### 73.2 Re-organisation of Local Government

Mr Cooper suggested that the Committee might wish to consider the emerging proposals for the re-organisation of Local Government. The Strategic Director indicated that, whilst it might be premature to do so at this stage, it would certainly be appropriate for the Committee to do so in the future. Accordingly, it was **AGREED** that the re-organisation of Local Government be included in the Committee Work Programme.

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

## 74. 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 March 2016.

### 74.1 Approval of Counter-Fraud and Anti-Corruption Policy

In response to a question from the Chairman, the Strategic Director advised that the draft Counter-Fraud and Anti-Corruption Policy was to be considered by the Audit and General Purposes Committee later in the week prior to submission to the Cabinet.

### 74.2 Consideration of Motion referred by Council relating to Business Rates.

The Strategic Director advised that no further detail on the Government's proposals regarding Business Rates had been forthcoming although a Parliamentary Committee was receiving evidence on the matter.

Arrangements by which small businesses with premises with a rateable value of £6,000 per annum or less were exempted from Business Rates had been made permanent and extended to an RV limit of £12,000. There had been a change in the annual uplift methodology by which rates increases were calculated would result in an annual reduction of in the order of  $\frac{3}{4}$  % (change from RPI to CPI). In response to a question from Mr Cotterill, the Strategic Director advised that analysis of the impact of these changes locally was being undertaken and a report would be submitted in due course.

### 74.3 Additional Funding for Business Plan for the Cotswolds Tourism Partnership

In response to a question from Mr Good, the Strategic Director advised that the estimated level of income derived from tourism was calculated by Tourism South East. He explained that the proposed report to the Cabinet on additional funding for Cotswolds Tourism Partnership's Business Plan was not coming forward to the April meeting as it was possible that assistance could be provided in kind. Any support would be contingent upon

production of a satisfactory business plan and it had always been the intention that the Partnership would be self-funded through the tourism sector.

**RESOLVED:** That the content of the Cabinet Work Programme published on 11 March 2016 be noted.

75. 2020 VISION PROGRAMME UPDATE

The Committee received an update from the Managing Director of the 2020 Vision Partnership. He reminded Members that, at its meeting on 21 October 2015, the Council had agreed to the establishment of the 2020 Joint Committee and authorised the delegation of functions to enable its operation. Whilst shared HR and Finance services had previously been established, the decision allowed the creation of shared ICT and Customer Services, the formation of shared Revenues and Benefits and Housing Management Services between West Oxfordshire, Cotswold and Cheltenham, shared Legal and Property Services between West Oxfordshire, Cotswold and the Forest of Dean in addition to the shared Environmental and Regulatory Service already formed between West Oxfordshire, Cotswold and the Forest of Dean.

Initial efforts had concentrated on the development of governance arrangements and the inaugural meeting of the Joint Committee held on 1 February had approved the Constitution and delegations.

Group Managers had been appointed; Jenny Poole for Go Shared Services, Phil Martin for Customer Services and ICT, Jon Dearing for Revenues and Housing Support, Bill Oddy for Environmental and Regulatory Services and Bhavna Patel for Legal and Property Services.

With the exception of the Public Protection Service which had commenced development earlier, there would be no immediate changes as the new Group Managers assessed the requirements of their respective services. The Public Protection Service was scheduled to 'go live' in June and had been able to generate annual savings of some £800,000 through a reduction in staffing levels achieved through natural wastage and voluntary redundancies.

The next priority in carrying the project forward would be the development of a Company structure to replace the Joint Committee. The creation of a Local Authority owned Company would enable the project to achieve the long term financial benefit of moving away from the Local Government Pension Scheme to a contributory scheme. In addition, it would generate a change in focus and culture to develop a more commercially aware workforce.

The Members of the Joint Committee were to meet informally later in the week to discuss the available options with the intention of undertaking consultation with individual authorities on both this and the options for developing further shared services prior to formal consideration later in the year. The Partnership Managing Director advised that he would be happy to provide the Committee with an update on progress at its next meeting.

He went on to explain that each service would produce its own service plan and budget for approval by the Joint Committee by the end of quarter 1. The level of service to be

provided would be bespoke to each partner Council and this, together with the associated performance indicators, would form the basis of future monitoring reports.

The Partnership Managing Director confirmed that he would be happy to attend future meetings as part of the performance monitoring framework.

Mr Cotterill noted that a reduction in staffing levels would impact upon accommodation requirements. In response, Mr Neudegg advised that, as part of the project, efforts were being made to create vacant space which could be used to generate income. The emerging ICT strategy focussed on developing flexibility although, whilst each Council would experience a reduction in the need for office accommodation, the associated generation of income would take longer to realise.

The Strategic Director advised that the recent restructuring of services had given rise to a reduction in the need for office space and, once the Public Protection Service had relocated from Elmfield to Woodgreen, the older part of the Elmfield Building would be empty. Whilst initial discussions with the DWP and the County Council over their possible use of the building had not come to a successful conclusion, this remained a possibility. In addition there was also the option to let to the private sector and small businesses. It was envisaged that the process could generate savings of some £100,000 to £150,000 once complete, however, it was important that this was realised at the appropriate time.

The Strategic Director also indicated that there was a question as to whether the Council would need to retain both buildings in the long term although this was dependent upon how shared service partnerships developed in the future. In response to a question from Mr Howard, he confirmed that parking provision at Woodgreen could prove problematic in relocating all staff to that building.

In response to a further question from Mr Howard, Mr Neudegg confirmed that an organisational structure chart was being prepared and would be made available to Members shortly.

Mr Postan questioned whether an actuarial report outlining the distinctions between existing and proposed pension schemes was available to Members. Mr Neudegg advised that some work had been carried out on a model scheme earlier and the Strategic Director advised that further work was underway. Mr Neudegg advised that changes to the pension scheme would form a substantial part of the business case for establishing a company structure and, in consequence, would be covered in some detail at that stage. Mr Postan suggested that the appointment of a pension provider could be expected to give rise to beneficial rates for other financial services to the partner authorities.

Mr Good questioned whether there were any areas in the development of the partnership that gave rise to concerns. In response, Mr Neudegg acknowledged that an increased number of partners gave rise to an exponential rise in complexity. As Managing Director, it became increasingly difficult to maintain a high level of visibility across the Partnership as membership increased over a wider geographical area. However, as relationships developed over time this would become less of an issue.

In addition, there were cultural differences between the partner authorities with some being more cautious in embracing partnership working than others. Whilst it did not impact upon the underlying business case, the Council's recent announcement of its intention to explore the possibility of establishing a unitary authority with Cotswold District Council had given rise to some concern amongst the remaining 2020 Partners. However, as the partnership was on a firm footing, these had largely been resolved. It was likely that differing responses to the move from a Joint Committee to a Company model would give rise to further issues but these would be addressed as the way forward became more clearly defined. Mr Neudegg advised that he remained confident that, by concentrating upon quality and service delivery, the project would deliver the expected levels of savings.

Whilst a change to unitary status would undoubtedly involve a degree of risk, the business model was equally applicable to other structures. Additional services could be shared with the consequent reduction in overheads and the creation of a wider, more resilient staff base. The creation of more than one unitary authority in Oxfordshire would give rise to an internal market and a shared service business model was fundamental in making the case for smaller unitary authorities. Staff resources could be shared across a wider area in the long run. However, in the short term the proposals would give rise to on-going uncertainty and place an increased burden upon existing staff resources.

**RESOLVED:** that the information provided be noted.

#### 76. TREASURY MANAGEMENT ACTIVITY AND PERFORMANCE

The Committee received and considered the report of the GO Shared Service Head of Finance giving details of treasury management activity and the performance of internal and external fund managers for the period April 2015 to February 2016.

In response to a question from Mr Cotterill, it was explained that, whilst the outcome of the forthcoming European Union Referendum would result in a period of financial uncertainty, the full impact was unknown. The Strategic Director indicated that, whilst there would undoubtedly be an influence on the markets, questions surrounding global growth were likely to have a far greater significance.

Given its recent performance, Mr Howard questioned whether the Council should reconsider its investment in the Aberdeen pooled fund. The Strategic Director advised that the position would be kept under review but, as the Council only took income via dividends, the indicative losses would not crystallise unless it withdrew from the fund. Performance of the fund had improved slightly from that during the previous year and the Strategic Director cautioned against moving between investment vehicles too frequently.

In response to a question from Mr Postan, it was indicated that the Council received constant updates on the market from its financial advisors and the Strategic Director advised that representatives of Arlingclose would be invited to attend a future meeting of the Committee to provide Members with an update.

**RESOLVED:** That treasury management and the performance of in-house and external Pooled Funds' activity for the period April 2015 to February 2016 be noted.

## 77. AFFORDABLE HOUSING WORKING PARTY

The minutes of the working party meeting held on 9 March 2016 were received and considered.

The Chairman advised that he had spoken to the Chairman of the Economic and Social Overview and Scrutiny Committee and had suggested that the Working Party continue to explore the possibility of a mortgage support scheme for key workers. Mr Handley had indicated that the Economic and Social Overview and Scrutiny Committee was to meet with representatives of local registered social landlords in May and invited representatives of this Committee to attend. Mr Handley had also suggested that a joint meeting of the two Committees could be held to discuss affordable housing in a wider context.

Mrs Baker indicated that a joint meeting could be too unwieldy and suggested that representatives of the two Committees could meet and feed-back information.

The Strategic Director advised that initial enquiries suggested that the scheme operated by Cotswold District Council had not enjoyed a great take up rate, most likely due to the availability of alternative national Government initiatives. In the first instance, it would be necessary to establish whether or not there was a demand for a local scheme.

Mr Howard suggested that the recently initiated review of married quarter provision by the Ministry of Defence and the consequent delay in development of MOD land in Carterton could possibly result in land being earmarked for disposal. The Strategic Director advised that Officers would keep the position under review to see if this could give rise to an opportunity for the Council to acquire and develop this land.

## 78. PERFORMANCE INDICATORS – QUARTER 3 2015/2016

The report of the Shared Head of Business Information and Change providing information on the Council's performance at the end of the third quarter of year 2015/2016 was considered.

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

## 79. WEBCASTING OF COUNCIL MEETINGS

Consideration was given to the report of the Shared Head of Business Information and Change regarding the feasibility and costs of introducing webcasting of Council meetings.

Mr Dorward suggested that the projected cost of providing such a service appeared high. In response, the Strategic Director advised that the figures were based upon costs incurred by neighbouring authorities in contracts with external service providers. He stressed the importance of providing a high quality, reliable service and confirmed that, should the Council wish to commission external provision, it would do so through a competitive process.

Whilst having supported the call for a preliminary investigation, Mr Cooper indicated that, having seen the initial costings, he was of the view that it would not be appropriate to pursue the concept further at a time when the Council was endeavouring to make significant financial savings.

Mr Howard concurred and Mr Saul suggested that, whilst it should be recognised as a desirable aspiration in the longer term, the Council faced more pressing financial priorities, particularly at a time when the future structure of local government was in a state of flux.

Mr Good suggested that students from Witney and Abingdon College might be able to assist in providing facilities on an ad hoc basis. The Strategic Director agreed to make enquiries but suggested that it was essential for the Council to have a consistent policy as to what was to be broadcast. He went on to caution against incurring budget growth at a time of financial restraint.

**RESOLVED:** That the content of the report be noted and the Cabinet be advised that the Committee was of the opinion that no further action should be taken on the matter at this juncture.

80. MEMBERS QUESTIONS

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

The Chairman thanked Members for their support over the year and wished those standing for re-election well.

The meeting closed at 3.10pm

CHAIRMAN