

Tuesday, 23 November 2021

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FINANCE AND MANAGEMENT OVERVIEW AND SCRUTINY COMMITTEE

You are summoned to a meeting of the Finance and Management Overview and Scrutiny Committee which will be held in the Council Chamber, Woodgreen, Witney OX28 1NB on **Wednesday, 1 December 2021 at 2.00 pm.**



Giles Hughes
Chief Executive

To: Members of the Finance and Management Overview and Scrutiny Committee

Councillors: Derek Cotterill (Chairman), Geoff Saul (Vice-Chair), Joy Aitman, Alaa Al-Yousuf, Julian Cooper, Rupert Dent, Harry Eaglestone, Steve Good, Gill Hill, Dan Levy, Mathew Parkinson, Alex Postan, Andrew Prosser and Harry St John.

Recording of Proceedings – The law allows the public proceedings of Council, Cabinet, and Committee Meetings to be recorded, which includes filming as well as audio-recording. Photography is also permitted. By participating in this meeting, you are consenting to be filmed.

As a matter of courtesy, if you intend to record any part of the proceedings please let the Democratic Services officers know prior to the start of the meeting.

AGENDA

1. **Minutes of Previous Meeting (Pages 5 - 8)**
To approve the minutes of the meeting held on 14 July 2021.
2. **Apologies for Absence**
To receive any apologies for absence.
3. **Declarations of Interest**
To receive any declarations from Members of the Committee on any items to be considered at the meeting
4. **Participation of the Public**
To receive any submissions from members of the public, in accordance with the Council's Rules of Procedure.
5. **Committee Work Programme (Pages 9 - 10)**
Purpose:
To provide the Committee with an updated Work Programme for 2020/2021.
Recommendation:
That the Committee notes the work programme and provides comment where needed.
6. **Cabinet Work Programme (Pages 11 - 16)**
Purpose:
To give the Committee the opportunity to comment on the Cabinet Work Programme published on 16 November 2021.
Recommendation:
That the Committee decides whether to express a view to the Cabinet on relevant issues in its Work Programme.
7. **Approval of Extension to Agreement for Support Services with Publica (Pages 17 - 34)**
Purpose
To consider the Cabinet report relating to an extension of the Publica service agreement for Support Services.
Recommendation
That the Scrutiny Committee consider the report and decide to pass their comments or recommendations to the Cabinet.
8. **Update of 2022/23 Budget (Pages 35 - 46)**
Purpose
To provide an update on the developing budget for 2022/23.
Recommendation
That the report be noted and that the Committee submits comments to Cabinet as it wishes.

9. **Update on Council's Investment Task & Finish Group**

Purpose

To update Councillors on the progress of the Investment Policy Task and Finish Group.

Recommendation

That the update be noted.

10. **Members Questions**

To receive any questions from Members of the Committee.

Question from Councillor Cooper

When does the District Council want both money raising & expenditure proposals for the 2022/23 budget?

(END)

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WEST OXFORDSHIRE DISTRICT COUNCIL

Record of Decisions of the meeting of the
Finance and Management Overview and Scrutiny Committee
Held in the Council Chamber at 2.00 pm on **Wednesday, 14 July 2021**

PRESENT

Councillors: Councillor Derek Cotterill (Chairman), Councillor Geoff Saul (Vice-Chair), Councillor Joy Aitman, Councillor Julian Cooper, Councillor Colin Dingwall, Councillor Harry Eaglestone, Councillor Gill Hill, Councillor Dan Levy, Councillor Mathew Parkinson, Councillor Alex Postan, Councillor Andrew Prosser, Councillor Harry St John and Councillor Dean Temple

Officers: Elizabeth Griffiths (Chief Finance Officer, Deputy Chief Executive and Section 151 Officer), Jasmine McWilliams (Estates Manager), Debra Goodall (Business Manager - Finance), Amy Bridgewater-Carnall (Senior Strategic Support Officer), Adrienne Frazer (Strategic Support Officer)

10 Minutes of Previous Meeting

The minutes of the meeting held on 2 June 2021 were approved and signed by the Chairman as a correct record.

11 Apologies for Absence

The following temporary appointments were notified:

Councillor Temple substituted for Councillor Al-Yousuf.

Councillor Aitman substituted for Councillor Bolger.

Councillor Dingwall substituted for Councillor Dent

12 Declarations of Interest

There were no declarations of interest received.

13 Participation of the Public

There were no requests received.

14 2020/21 Treasury Outturn

The Chief Finance Officer informed the meeting that the investments were making good returns; the funds were returning to their pre-pandemic levels in the stock market and noted that it was expected that levels of investment would fall to just over £10M in 2021/22.

Clarification was sought on the following queries and responded to by officers:

Externally managed funds' fluctuating values;

The spread of externally managed funds;

The amount of the fund management fees;

A request for a table showing funds, gross yield, withdrawals and management fees to be included in future reports;

The interest rate on the 50 year loan to Cottsway Housing Association.

The Chief Finance Officer advised that the funds value had fallen during the pandemic but were now recovering. She agreed to provide the requested table in future reports. The Chief Finance Officer and Councillor Saul explained that the loan to Cottsway Housing Association

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was made to support the Council's priority to provide affordable housing rather than to offer a high financial yield.

Having considered the report and following debate, the Committee

RESOLVED: That the report be noted.

15 Council Priorities and Service Performance Report 2020-21 - Quarter Four

The Committee received and considered the report of the Chief Executive, which provided details of the Council's progress towards achieving its aims and priorities set out in the Council Plan 2020-2024, and service performance during Quarter Four. It also included information on: work towards a new performance management framework: a narrative of progress towards each of the Council priorities and the impact on customer facing and support services by the Covid-19 pandemic.

Comments and queries from Councillors included:

Council Plan Annual Statement

The following additions to the Statement were requested:

Page 34 – the Area of Outstanding Natural Beauty needs to be referred to.

Page 35 – “What’s on the Horizon” section – needs to include a carbon neutral target to match the Oxford Plan.

Page 39 – The Oxfordshire Electric Vehicle Infrastructure Strategy – needs a timescale adding for completion in West Oxfordshire.

Councillor St John asked about when the report on the Council's land from the Biodiversity Officer would be complete. The Estates Manager advised that the Biodiversity & Countryside Land Management Officer, who has been working closely with the Estates Team, Tree Officers and Drainage Engineer, has nearly completed the baseline plans and will move forward to drafting the enhanced plans with options and recommendations. This report is due in the Autumn.

The work on the Land Management Plans has been reported to Climate Action Working Group and Informal Cabinet and a report will be going to Full Council in July with details of progress of plans.

The Chief Finance Officer updated the meeting on the Oxfordshire Electric Vehicle Infrastructure Strategy. She explained that the WODC scheme is dependent on progress with the Oxfordshire park and charge scheme. The WODC scheme, which has limited funds of £400K, is intended to be used to supplement the Oxfordshire scheme and is therefore dependent on the decisions and outcomes of Oxfordshire's progress.

PERFORMANCE REPORT: January 2021 - March 2021

The Committee considered the previously circulated report.

The following comments were raised:

Councillor St John commented on the significant increase in the number of long term empty properties. Councillor Cotterill noted that a recruitment has taken place to focus on this work.

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The Chief Finance Officer, following a request from Councillor Postan for performance indicator summary information, advised the Committee that she and her team are reviewing the report's content and the purpose of each performance indicator with an aim to provide a shorter report with information focussed on the most important areas of interest.

Having considered the report and following debate, the Committee

RESOLVED: That the report be noted.

16 Investment Policy Task & Finish Group - Update

Councillor Saul informed the meeting that the Task and Finish Group had yet to meet. It was therefore agreed that the item be deferred to the next meeting and a further selection of meeting dates would be circulated to the Members of the group in due course.

17 Committee Work Programme

The Committee considered the previously circulated report from Democratic Services, which invited it to consider it's the Work Programme for 2021/2022.

No comments were raised.

RESOLVED: That the work programme be noted.

18 Cabinet Work Programme

The Committee considered the previously circulated report from Democratic Services, which invited it to consider it's the Cabinet Work Programme for 2021/2022.

No comments were raised.

RESOLVED: That the work programme be noted.

19 Investment Property Outturn 20/21

The Committee received a report from the Estates Manager, Ms Jasmine McWilliams, updating Members on the property portfolio which the Council held, and which helped to support the revenue budget via investment income.

The Estates Manager began by offering an overview of the report. She noted that the internal team were reviewing the properties owned by the Council, post-pandemic.

Councillor Prosser asked about the bad debt levels incurred by the pandemic rent deferrals. The Estates Manager explained that following an update report presented in March and December 2020, the Council had agreed deferrals, especially in retail rents, also that recently Cabinet agreed options for future deferral requests. She also noted that existing tenants all had a repayment plan which would resolve the majority of the debt by March 2022.

Councillor Postan requested that the property portfolio be risk assessed. The Estates Manager confirmed that that work was underway.

Councillor St John requested that the table in future reports included the category of use of the property and amount of rental income deferred. He also requested a summary table of all assets, the current value of each asset providing a total value of assets held by the Council. The Chief Finance Officer agreed to provide this in future reports.

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The Chairman noted that the pandemic had altered investments values significantly.

RESOLVED: That the report be noted.

20 **Members Questions**

Councillor St John, in the light of the impact of the pandemic on property valuations, suggested commissioning an independent valuation report on the Council's property portfolio.

The Estates Manager informed the meeting that Carter Jonas had provided such a report in 2020 and the Estates team was currently reviewing and risk assessing the property portfolio. The Estates Manager agreed to circulate the Carter Jonas report.

The Chief Finance Officer advised the meeting that the Public Works Loan Board (PWLB) rules do not allow local authorities to make any purchase purely for its yield. Breaching this PWLB rule would lose the Council access to all PWLB funds.

The Meeting closed at 3.09 pm

CHAIRMAN

Work Programme – Finance & Management O&S

1 DECEMBER 2021

	Title	Format	Lead Officer / Cabinet Member	Next report / Anticipated Completion Date	Comments
1	Task & Finish Group - Council's Investment Policy - Update	Verbal update	Councillor Saul – Chair of T&F Group		
2	Publica Support Services – contract extension	Cabinet Report	Giles Hughes / Michele Mead	To be considered by Cabinet on 15.12.21	
3	Initial Budget 2022/23	Verbal update / written report	Elizabeth Griffiths / Suzi Coul		

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9 FEBRUARY 2022

	Title	Format	Lead Officer / Cabinet Member	Next report / Anticipated Completion Date	Comments
1	Budget 2022/2023	Cabinet report	Elizabeth Griffiths / Suzi Coul	To be considered by Cabinet on 16.02.21	To include Capital Programme, Council Tax levels, MTFS & Strategies
2	Fees and Charges 2022/23	Cabinet report	Elizabeth Griffiths / Suzi Coul	To be considered by Cabinet on 16.02.21	

Agenda Item 5

Work Programme – Finance & Management O&S

3	Task & Finish Group - Council's Investment Policy - Update	Verbal update	Councillor Saul – Chair of T&F Group		
4	Q2 Performance Monitoring report	Report			

Other Reports	Frequency	Comments
Introduction of Electric Vehicle Charging Points in Council Car Parks	On-going as required	Awaiting the Distribution Network Operator costs for the installation of any additional infrastructure to support the implementation strategy approved by Cabinet in February 2020. Update given at October meeting – officers looking at changing supplier.

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SUGGESTIONS FOR FUTURE WORKSTREAMS



WEST OXFORDSHIRE
DISTRICT COUNCIL

CABINET (EXECUTIVE) WORK PROGRAMME

INCORPORATING NOTICE OF DECISIONS PROPOSED TO BE TAKEN IN PRIVATE SESSION AND NOTICE OF INTENTION TO MAKE A KEY DECISION

DECEMBER 2021 – MARCH 2022

Published 16 November 2021

By virtue of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, local authorities are required to publish a notice setting out the key executive decisions that will be taken at least 28 days before such decisions are to be taken. The Regulations also require notice to be given of any matter where it is proposed that the public will be excluded during consideration of the matter.

This Forward Plan incorporates both of these requirements. In the interests of transparency, it also aims to include details of those items to be debated by the Cabinet that relate to either policy/budget formulation, matters which will be subject to a recommendation to the Council, and other matters due to be considered by the Cabinet. This programme covers a period of four months, and will be updated on a monthly basis. The timings of items may be subject to change.

It should be noted that although a date not less than 28 clear days after the date of this notice is given in each case, it is possible that matters may be rescheduled to a date which is different from that given provided, in the cases of key decisions and matters to be considered in private, that the 28 day notice has been given. In this regard, please note that agendas and reports for meetings of the Cabinet are made available on the Council's website at www.westoxon.gov.uk/meetings five working days in advance of the meeting in question. Please also note that the agendas for meetings of the Cabinet will also incorporate a necessary further notice which is required to be given in relation to matters likely to be considered with the public excluded.

There are circumstances where a key decision can be taken, or a matter may be considered in private, even though the 28 clear days notice has not been given. If that happens, notice of the matter and the reasons will be published on the council's website, and available from the Council Offices, Woodgreen, Witney, Oxon, OX28 1NB.

Key Decisions

The Regulations define a key decision as an executive decision which is likely –

- (a) to result in the relevant local authority incurring expenditure which is, or the making of savings which are, significant having regard to the relevant local authority's budget for the service or function to which the decision relates; or
- (b) to be significant in terms of its effects on communities living or working in an area comprising two or more wards in the area of the authority".

The Council has decided that a cost or saving of an amount greater than £50,000 is necessary to constitute expenditure or savings which are significant for the purposes of this definition.

Please note that if a matter is approved by the Council following a recommendation from the Cabinet, that decision will not be a key decision.

Matters To Be Considered in Private

The great majority of matters considered by the Council's Cabinet are considered in 'open session' when the public have the right to attend.

However, some matters are considered with the public excluded. The public may only be excluded if a resolution is passed to exclude them. The grounds for exclusion are limited to situations where confidential or exempt information may be disclosed to the public if present and, in most cases involving exempt information, where in all the circumstances of the case the public interest in maintaining the exemption outweighs the public interest in disclosing the information. The definitions of these are set out in the Council's Constitution.

Documents and Queries

Copies of, or extracts from, documents listed in the programme and any which subsequently become available are (subject to any prohibition or restriction on their disclosure), obtainable from the following, and this contact information may also be used for any queries.

Democratic Services
West Oxfordshire District Council
Council Offices
Woodgreen
Witney
Oxon
OX28 1NB

Email: democratic.services@westoxon.gov.uk

Tel: 01993 861111


West Oxfordshire District Council: Executive Members 2021/2022

Name of Councillor	Title and Areas of Responsibility
Michele Mead (Leader)	Leader of the Council: Policy Framework; Corporate Plan; Executive functions; Representation on Regional and National Bodies; Oxfordshire Partnership Board; Oxfordshire Growth Board; Oxfordshire Local Enterprise Partnership; Oxfordshire Leaders; Publica & Ubico; Democratic Services; Communications; and Afghanistan Resettlement Programme.
David Harvey (Deputy Leader)	Climate Change: Alternative energy; Biodiversity across the District; Carbon Neutral by 2030; Fossil fuel dependence reduction; and Local, National and County wide liaison on climate
Suzi Coul	Finance: Economic Development; Inward investment; Finance & Management; Council Tax and Benefits; Efficiency Agenda; Performance management of the Council; Business Development; Visitor economy; Asset management.
Merilyn Davies	Communities and Housing: Housing Allocations; Homelessness; Provision of Affordable Homes; Sheltered Housing accommodation; Safeguarding; Community Safety Partnership; Crime and Disorder; Neighbourhood Policing; Scrutiny of Police and Crime Commissioner; Voluntary sector engagement; Assets of Community Value; Community and Public Health; and Healthy Communities.
Jane Doughty	Customer Delivery: Parish and Town Liaison; Equality and Diversity; Customer Services; ICT and services; Health and Safety; Councillor Development; Broadband; Sports and Leisure Facilities; Public art; Community; Facilities Grants; and Community Revenue Grants.
Jeff Haine	Strategic Planning: Regional Spatial Strategy; Local Plan; Government planning policies and guidance; Conservation and Design; Design and Historic Environment; Landscape/Biodiversity; Strategic Housing; Development Management; and Ensuring planning policies meet 2030 requirement
Norman MacRae MBE	Environment: Car Parking; Waste Collection and Recycling; Street Scene (Cleansing, Litter and Grounds Maintenance); Energy Advice; Flood Alleviation; Environmental and Regulatory; Environmental Partnership

Item for Decision	Key Decision (Yes / No)	Likely to be Considered in Private (Yes / No)	Decision – Maker	Date of Decision	Cabinet Member	Lead Officer	Consultation	Background Documents
1. Performance Monitoring Report Q2 – 2021/22	No	No	Cabinet	15 Dec 2021	Cllr Mead	Giles Hughes		
2. Consideration to write off debt in excess of £5,000	No	Yes (will include personal info)	Cabinet	15 Dec 2021	Cllr Coul	Jon Dearing	MO, Legal & S151 officer	
3. Allocation of funding to support option appraisal for site development - Hensington Road, Woodstock	No	No	Cabinet Council	15 Dec 2021 TBC	Councillor Haine / Councillor Coul	Claire Locke		
4. Public Support Services – contract extension	Yes	No	Cabinet	15 Dec 2021	Cllr Mead	Giles Hughes	To be considered by FMOS 01/12	
5. Infrastructure Funding Statement (IFS)	Yes	No	Cabinet	15 Dec 2021	Cllr Haine	Chris Hargraves		
6. Annual Monitoring Report (AMR)	Yes	No	Cabinet	15 Dec 2021	Cllr Haine	Chris Hargraves	To be considered by Ec&Soc on 27.01.22 and Env O&S on 03.02.21	

Item for Decision	Key Decision (Yes / No)	Likely to be Considered in Private (Yes / No)	Decision – Maker	Date of Decision	Cabinet Member	Lead Officer	Consultation	Background Documents
7. Initial Budget 2022/23	Yes	No	Cabinet Council	Jan 2022	Cllr Coul	Elizabeth Griffiths	Via FMOS first	
8. Allocation of funding for installation of Electric Vehicle Charging Points	Yes	No	Cabinet Council	Jan 2022	Councillor Harvey	Claire Locke		
9. Budget 2022/2023 – to include Capital Programme, Council Tax levels, MTFS, Strategies	Yes	No	Cabinet Council	Feb 2022	Cllr Coul	Elizabeth Griffiths	Via FMOS first	
10. Fees and Charges 2022/2023	Yes	No	Cabinet Council	Feb 2022	Cllr Coul	Elizabeth Griffiths	Via FMOS first	
11. Performance Monitoring Report Q3 – 2021/22	No	No	Cabinet	Feb 2022	Cllr Mead			
12. Local Development Scheme (LDS) Update	Yes	No	Cabinet	Feb 2022	Cllr Haine	Chris Hargraves		
13. West Oxfordshire Local Plan 2041 – Initial Issues and Scoping Consultation	Yes	No	Cabinet	Feb 2022	Cllr Haine	Chris Hargraves		

Item for Decision	Key Decision (Yes / No)	Likely to be Considered in Private (Yes / No)	Decision – Maker	Date of Decision	Cabinet Member	Lead Officer	Consultation	Background Documents
14. Consideration of options for the future provision of legal services to the Council	Yes	No	Cabinet	March 2022	Councillor Mead	Giles Hughes		
15. Approval of upgrade to West Oxfordshire's public space CCTV provision and monitoring arrangements	Yes	No	Cabinet	March 2022	All relevant Cabinet Members	Andy Barge		

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date</p>	<p>Finance & Management Overview & Scrutiny Committee</p>
<p>Report Number</p>	<p>Agenda Item No. 7</p>
<p>Subject</p>	<p>Cabinet report relating to: Approval of Extension to Agreement for Support Services with Publica</p>
<p>Wards affected</p>	<p>All</p>
<p>Accountable member</p>	<p>Councillor Michele Mead, Leader; Email: Michele.mead@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Giles Hughes, Chief Executive Email: giles.hughes@westoxon.gov.uk</p>
<p>Summary/Purpose</p>	<p>To consider the Cabinet report relating to an extension of the Publica service agreement for Support Services.</p>
<p>Annexes</p>	<p>Annex A - Support Services Agreement</p>
<p>Recommendations</p>	<p><u>FMOS recommendation:</u> To scrutinise the report and decide whether to pass any comments to Cabinet prior to their meeting. <u>Cabinet recommendation:</u> (a) that the Support Services Agreement with Publica Group (Support) Limited be extended for a further four year term until 31 October 2026.</p>
<p>Corporate priorities</p>	<p>Modern Council Services and Sustainable Finance: Delivering excellent modern services whilst ensuring the financial sustainability of the Council</p>
<p>Key Decision</p>	<p>Yes</p>
<p>Exempt</p>	<p>No</p>
<p>Consultees/ Consultation</p>	<p>Leader, Deputy Chief Executive, Monitoring Officer and Head of Legal Services</p>

1. BACKGROUND

- 1.1. The Publica Support Service Agreement (“the Agreement”) expires on 31st October 2022. Shareholder Councils are required to give 12 months’ notice of their intention to grant an extension and consequently a decision is required now. Publica has confirmed that it is comfortable with slightly shorter notice to that included within the Agreement.
- 1.2. Publica is a not-for-profit company owned by West Oxfordshire District Council along with Cotswold District Council, Forest of Dean District Council and Cheltenham Borough Council. Through Publica we share skills and resources to provide a range of important services to the Councils and to their residents and communities. Publica was set up in early 2017 and its contracts to supply services to the Councils commenced on 1st November 2017.
- 1.3. A key element of West Oxfordshire District Council’s approach to its finances over the last decade has been the delivery of savings through shared services, as a result of efficiencies and economies of scale. This has helped protect front line services. The setup of Publica took this long term approach to shared services to another level.
- 1.4. The formal steps to set up Publica began in June 2014 when the four Councils approved a "Report and Outline Business Case for a "2020 Vision for Joint Working". In August 2015, the full "2020 Vision for Joint Working Business Case" was prepared. This Business Case, based on the original proposition, forecast to return cumulative savings totalling £38m over a 10 year period with annual revenue savings of £5.7m. External funding of £3.8m towards the cost of the Programme was received from the Government's Transformation Challenge Funding.
- 1.5. Consequently, the Business Case was agreed and approved by the four Councils in September/October 2015. Subsequently the 2020 Joint Committee (“the Joint Committee”) was established and became operational in February 2016 with a number of shared services being established from April 2016.
- 1.6. In June 2016 the Joint Committee agreed an updated Business Case and to consult with partner Councils about the proposal to implement a company model. In October 2016 the Councils all agreed a report recommending the creation of a company model comprising three companies, then described as a support services company, coordinating company and a regulatory services company. Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council agreed to become members of the three companies. Cheltenham Borough Council agreed to become a member of the support services company and to receive only Finance, HR and ICT support from that company.
- 1.7. As agreed the Publica companies were formed early in 2017 and over the intervening period Officers established the companies to accept the transfer-in of approximately 650 employees. As part of that it was determined that to mitigate tax issues, ease complexity for employees, and, keep running costs down, only one company was necessary at least initially. To enable Cheltenham to retain its involvement within the shared service company it was agreed this would be Publica Group (Support) Ltd as this is the company of which it is a member (“the Company”).
- 1.8. As part of the arrangements the Councils entered into Agreements with Publica to deliver the joint services from Autumn 2017. Cheltenham Borough Council continued to receive the services of Finance, HR and ICT services only (in line with its current contract arrangements).

- 1.9. It was agreed by the Councils that the contract durations would be as follows:
- Support Service Provision - five years plus opportunity to extend for two further periods each of four years (next expiry 31 Oct 2022)
 - Direct Service Provision - seven years plus opportunity to extend for seven years (next expiry 31 Oct 2024)
 - Commissioning and Advisory Services - 10 years plus opportunity to extend for 10 years (next 31 Oct 2027)
- 1.10. The different contract variation periods reflects the relative difficulty in commissioning these services.
- 1.11. Because West Oxfordshire District Council has a shareholding in Publica, it in combination with the other partner Councils has ultimate control over the Company. The relationship between the Council and Publica is not therefore just a client/ contractor relationship, and the Council has the ability to influence Publica outside of Service Agreements. To aid the Councils' roles as Shareholders a new Shareholders Forum has been set up.
- 1.12. Under the terms of the Service Agreements the Councils are required to give 12 months' notice of their intention to grant an extension and consequently a decision is required now on the Support Service Agreement which is due to end on 31 October 2022. Publica has confirmed that it is comfortable with a slightly shorter notice period to that specified in the Agreement.
- 1.13. Cheltenham Borough Council's Cabinet considered this matter in October, and agreed to extend the Agreement for the proposed four year term. The matter will also be considered by Cotswold District Council and Forest of Dean District Council during November and December.

2. MAIN POINTS

- 2.1. The Support Services Agreement is attached at Annex A and sets out the detail of service provision. The principal services that are contained within the Agreement are:-
- ICT
 - Finance
 - Human Resources & Payroll
 - Procurement
 - Property
 - Land Charges
 - Flood Engineering
- 2.2. The bulk of these support services have been delivered in some form of partnership arrangement since 2012 when GO Shared Services was formed. Other informal sharing arrangements for the other services were formalised with the introduction of Publica in November 2017.

- 2.3. The Agreement for Support Services sets out an initial period of five years to the end of October 2022. With an allowance of 12 months' notice this requires the Council to make a decision on extending the arrangement for a further period of four years as provided for within the Agreement.
- 2.4. Publica Group (Support) Ltd is a Teckal company and one of the benefits of the Teckal model is that it enables the company owners (local authorities) to procure services from the company in a flexible way. The Agreement with the Company enables the Council to make changes to the services (whether by way of the removal of services, the addition of new services, increasing or decreasing the services, specifying the order in which the services are to be performed or the locations where the services are to be provided) through the annual review process, or in the event of an urgent matter on giving reasonable written notice for any reasons whatsoever.
- 2.5. Indeed since the onset of the Coronavirus pandemic the Council and Publica have needed to be flexible in the way resources have been allocated to deal with many aspects of service provision and this has had significant impacts on ICT, Finance and HR provision particularly in respect of home and hybrid working arrangements and business grants administration.
- 2.6. This flexibility of the Teckal company arrangement is indeed one of the key strengths of the governance arrangements that are part of the approach within the partnership.
- 2.7. As a consequence of these flexible arrangements should the Council agree to extend the Agreement for a further four year period this does not bind the Council to this 'set' service definition for the full period and variations can continue to be made as in the previous four years.
- 2.8. Publica is still a relatively young organisation in local government terms, and is on a journey to deliver modern services and local priorities for the Shareholder Councils across the partnership.
- 2.9. In overall terms the performance of Support Services has been good with the ICT Service provision highly regarded across the partnership. Finance Transactional Services and Payroll are also highly regarded. Finance Advisory Services has suffered from some staff turnover issues which created some service pressures but a new structure and recent appointments have made a significant difference over the last six months and service improvement is expected to continue.
- 2.10. A number of parts of the HR service are currently being reviewed as part of a HR Improvement Plan which is currently awaiting approval but we are already seeing improvements in some areas such as Recruitment and Learning and Development.
- 2.11. In terms of Performance Indicators for these Services these are shared with the Partner Councils as part of the performance pack but the key metrics are shown below:-
 - Accounts paid within 30 days 97-98% (target 90%)
 - ICT Server availability 99.9% (target 99.8%)
 - Payroll accuracy 100%
 - Sickness Absence 4.5 days (8 days District Council average)
 - Underlying staff turnover 11.65% (long term average 10%)

3. FINANCIAL IMPLICATIONS

- 3.1. There are no direct financial implications from extending the term of the Agreement. The contract fee is agreed on an annual basis and takes into account any changes to services. However, if the Council decided not to renew the Agreement there could be significant financial implications.
- 3.2. The 2020/21 service cost budget for support services for West Oxfordshire was estimated as set out below. A costing review is currently underway which could see a reduction in these budgets due to volumetric changes but this review is incomplete at the moment.

WODC	
Finance	
SUP009 Accountancy	339,302
SUP011 Accounts Payable	18,445
SUP012 Accounts Receivable	37,599
SUP033 Procurement	40,364
SUP035 Insurance	8,357
People	
SUP003 Human Resources	143,998
SUP013 Payroll	21,547
SUP019 Health & Safety	11,038
SUP020 Training, Talent & Recruitment	37,851
Technology	
SUP005 ICT +Business Solutions	483,144
SUP042 Business World Support	11,375
	1,153,020

- 3.3. Unit cost information is still being developed but the 2020/21 unit costs were:-

- Cost to fill vacancy £1,055
- Cost per debtor a/c £4.52
- Cost per a/c payable £3.37
- Cost per payslip £4.04
- Cost per Procurement £515

- 3.4. The Institute for Fiscal Studies report on English Local Government funding, published in 2019 gave an estimated cost for “Central and Other” services of £57 per resident. The figures quoted above for WODC show a cost of £10.53 per resident. There is insufficient detail to determine the exact correlation of the two estimates but it would appear to support the argument that the price quoted by Publica to deliver the services above represents good value for money.

4. LEGAL IMPLICATIONS

- 4.1. The Council is bound by the terms of the Agreement for services and is required to give written notice if it wishes to extend its term. The Agreement includes provisions for making changes to the services.
- 4.2. The Council could chose to exercise its option not to extend the Support Services Agreement but would be liable for any costs associated with leaving.

5. RISK ASSESSMENT

- 5.1. There are no significant new risks from extending the Agreement for support services. If an alternative option is chosen there could be risks in terms of disruption to services, additional costs, and the opportunity cost from the staff time required to implement an alternative approach.

6. EQUALITIES IMPACT

- 6.1. None from this report. Publica has signed up to 'Disability Confident' and committed to encourage applications by offering an interview to those who declare they have a disability, if the person meets the minimum criteria for the job as defined on the person specification..

7. CLIMATE CHANGE IMPLICATIONS

- 7.1. None from this report. Publica has set out plans for considering the environmental impact of business activities, aiming for a more sustainable future and reducing the carbon footprint of the business through a detailed carbon reduction plan. A commitment has been made to consider climate impact in all Publica work and this will be embedded into project management, commissioning and procurement.

8. ALTERNATIVE OPTIONS

- 8.1. The Council could choose not to extend the Agreement and look either to bring these support services in house, or alternatively contract these services from another provider.
- 8.2. Given the integrated nature of the Business World Enterprise Resource Platform it may be difficult to dis-establish the transactional elements of the Partnership and these services are generally recognised as high performing and low cost.
- 8.3. Should the Council wish to transfer advisory type services (e.g. flood engineering, Human Resources, and property) back to the Council then this could be accommodated more easily but the Council would lose out on the lower employment cost structure, and the economies of scale and resilience provided by the wider partnership.

- 8.4. An alternative outsourcing route through a private sector provider could be also considered, but this model would not offer the flexibility of the Teckal model, which allows the Council to vary services as circumstances change without undue financial penalties.
- 8.5. If the Council did not extend the Agreement then it would need to work with Publica and engage with employees on any relevant employment matters such as the Transfer of Undertakings Protection of Employment regulations (TUPE).

9. BACKGROUND PAPERS

- 9.1. The following documents are of relevance to this report:
- Publica Business Plan - 2020 to 2022; and
 - Publica Annual Report 2020-21;
 - Ten years of collaboration and sharing, Publica
 - The Institute for Fiscal Studies report on English Local Government Funding 2019

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SERVICE SPECIFICATION FOR SUPPORT SERVICES PROVIDED TO:
COTSWOLD DISTRICT COUNCIL, FOREST OF DEAN DISTRICT COUNCIL and
WEST OXFORDSHIRE DISTRICT COUNCIL

This Specification for the Services details the high level Services to be provided by the Company to Cotswold District Council, Forest of Dean District Council and West Oxfordshire District Council. [More detail (in relation to Service Standards and performance indicators) is set out in the documents linked to the Service Agreement.]

The overriding principle applying to the Specification is that the Company will deliver the relevant Services to the extent permitted by Law. Where any Service involves the exercise by a Council or a Council Officer of functions or discretions which may not be delegated to the Company, the Company's obligations shall be to provide such administrative and other support to enable the Council (or relevant Council Officer) to lawfully discharge such obligations and (for the avoidance of doubt) the Council or applicable Council Officer shall remain responsible for the discharge of such functions and/or exercise of such discretions as may not be delegated.

For the avoidance of doubt, the non-delegable statutory elements of those Service Areas shaded in red will be discharged (as applicable) by the relevant Council or Council employee.

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Service area: ICT

Function	Council
Provide strategic ICT advice and guidance to Councillors and Council employees	CO, F, WO
Business Partnering	CO, F, WO
Service transformation support	CO, F, WO
Oversee ICT related procurement activities and provide input where required	CO, F, WO
Design, manage and install Council networks and infrastructure	CO, F, WO
Telecoms – design, implementation and management	CO, F, WO
Disaster Recovery / Backups	CO, F, WO
Specify, deploy and manage ICT hardware and devices	CO, F, WO
ICT Helpdesk	CO, F, WO
Business World Helpdesk and infrastructure support	CO, F, WO
Support Business World infrastructure	CO, F, WO
Ensure compliance with Government and industry standards	CO, F, WO
Local Land and Property Gazetteer	CO, F, WO
GIS and mapping service	CO, F, WO
Street naming and numbering service	CO, F, WO
Website and digital services	CO, F, WO
Data services – complex reporting, data migration, transformation and extraction	CO, F, WO
Application development and integration	CO, F, WO
Specify, implement and update Application systems	CO, F, WO
Support corporate Applications and Systems	CO, F, WO
ICT related Security policies, procedures and advice	CO, F, WO
Data Protection and handling advice and guidance – liaison with SIRO	CO, F, WO
Information Security – policy development, registration and coordination of breaches, liaison with Information Commissioner	CO, F, WO
ICT training for elected members and Council employees	CO, F, WO
BACs Bureau Service	CO, F, WO
Issuing ID / security access cards	F only

Service area: Finance

Function	Council
Service transformation support	CO, F, WO
Accounts payable	CO, F, WO
Purchase ordering	CO, F, WO
Accounts receivable	CO, F, WO
General ledger management	CO, F, WO
Cash and bank input	CO, F, WO
VAT	CO, F, WO
Bank reconciliation	CO, F, WO
Trust Funds	CO, F, WO
Mortgages, Car Loans and Loans to Third Parties	CO, F, WO
Mayor's / Chairman's charity	CO, F, WO
Leasing - employee cars / pool cars (financial aspects)	CO, F, WO
Leasing – Other leases	CO, F, WO
Support services costing	CO, F, WO
Journals	CO, F, WO
Statement of Accounts	CO, F, WO
Collection Fund accounting	CO, F, WO
Financial Strategy / Budget preparation	CO, F, WO
Management Reporting	CO, F, WO
Business Partnering	CO, F, WO
Government Returns – RO, RA, QRO, C.O. etc.	CO, F, WO
Technical accounting support	CO, F, WO
Treasury Management	CO, F, WO
Insurance support and advice	CO, F, WO
Collate Precept data from Parish Councils, Upper Tier Authorities, Police Authorities	CO, F, WO
Business World System Support – administration and support	CO, F, WO

Service area: Human Resources and Payroll

Function	Council
Service transformation support	CO, F, WO
HR functions for staff employed directly by the Council: <ul style="list-style-type: none"> • Workforce intelligence • Recruitment and induction • Leavers • Disclosure and Barring Scheme • Staff welfare • Employee Relations/Case work • Grievance, Disciplinary & Capability • Redundancy • Job evaluation; Employee benefits; Reward & Recognition • Maternity/Paternity Support • Long Service Awards • Retirements and Flexible Retirements • Death in Service • Annual Leave and Flexi-leave • Performance and Appraisals • Apprenticeships and Apprenticeship Levy • Employee representation – Trade Unions etc. • Total Reward, including benefits platform • HR Metrics • Employee communications and engagement 	CO, F, WO
HR functions for staff employed directly by the Council: <ul style="list-style-type: none"> • Absence Management 	
HR Procedure & Policy Development	CO, F, WO
Organisational HR Strategy	CO, F, WO
Learning & Organisational Development including learning skills, knowledge & behaviours and Change Management	CO, F, WO
Health and Safety, including Fire Safety advice	CO, F, WO
Pensions Administration	CO, F, WO
Payroll Function: For employees directly employed by Councils (including elected members)	CO, F, WO

Service area: Procurement

Function	Council
Service transformation support	CO, F, WO
Common Procurement Strategy, reflecting local flexibility	CO, F, WO
Common Contract Rules	CO, F, WO
Common suite of Standard Documentation	CO, F, WO
Standardised procurement web pages	CO, F, WO
Common Contract Register	CO, F, WO
Support through full tender/quotation process	CO, F, WO
Contract Management	CO, F, WO
Contract Monitoring	CO, F, WO
Procurement Portal – management of and guidance	CO, F, WO
Business World procurement module strategy and directional guidance including suppliers, products and training	CO, F, WO
Spend analysis, reporting and identification of procurement savings	CO, F, WO
Common work plan	CO, F, WO
Supplier adoption on e-portal where in use	CO, F, WO
Supplier engagement and Meet the Buyer events	CO, F, WO
Credit checks (organisational)	CO, F, WO
Category Management	CO, F, WO
Purchase Order management	CO, F, WO
Purchase Cards / Corporate credit cards	CO, F, WO
Procurement support to other Gloucestershire and Oxfordshire Districts for joint procurement / tendering	CO, F, WO
Procurement training	CO, F, WO

Service area: Property Services

Function	Council
<p>Strategy:</p> <ul style="list-style-type: none"> • Preparation for Council approval and delivery of Asset Management Strategy, Accommodation Strategy and Commercial Property Investment Strategy • Identification of and option appraisals for potential development sites • Liaison with county and other external groups to deliver on common goals • Support delivery of other strategies and corporate projects from property perspective, e.g. car parking, developments etc. 	CO, F, WO
<p>Maintenance and Management:</p> <ul style="list-style-type: none"> • Procurement of Contracts for annual, routine and reactive maintenance, minor capital works, utilities and cleaning • Risk assessments and action plans for Health & Safety compliance for all operational assets, including for asbestos, legionella, fire and glazing • Formulation and procurement of maintenance frameworks and condition surveys 	CO, F, WO
<ul style="list-style-type: none"> • Major Projects: <ul style="list-style-type: none"> ○ Manage / deliver capital programme works ○ Manage / deliver other large projects, e.g. office relocations, redevelopment 	CO, F, WO
<ul style="list-style-type: none"> • Management: <ul style="list-style-type: none"> ○ Delivery of annual, routine and reactive/emergency maintenance programme for all operational assets (including admin support) 	CO, F, WO
<ul style="list-style-type: none"> ○ Administer cyclical / routine term contracts including M&E, CE, PPM, Fire Precaution, Security Systems, Lifts, Crematoria Plant, Premises Hygiene, structural maintenance, Townscape, Utility services and any related compliance works ○ Carry out Facilities management duties 	CO, F, WO
<ul style="list-style-type: none"> • Miscellaneous tasks: <ul style="list-style-type: none"> ○ Manage and provide professional and administrative support for party wall awards, contaminated land issues, insurance matters on Council owned property, tender evaluations, development budget estimates, ad hoc enabling works ○ Carry out and produce schedules of dilapidations, periodic asset condition surveys, prepare/review planned maintenance programme ○ Report maintenance issues, vermin control requirements, conservation (green spaces & historic buildings) compliance ○ Landscape and open spaces maintenance works 	CO, F, WO
<ul style="list-style-type: none"> • General <ul style="list-style-type: none"> ○ Carry out the administrative functions of client management for services, e.g. off street parking management and enforcement, grounds maintenance, caretaking, office cleaning and public toilets, green space and play area management and maintenance ○ Assist in the provision of bereavement services, including lot management, funerals and assisted burials (where there is no next of kin) ○ Management of Council-owned car parks 	F only

Function	Council
Estate Management: <ul style="list-style-type: none"> • Landlord and Tenant, including: <ul style="list-style-type: none"> ○ Negotiate rent reviews, lease renewals, variation and breaches, licences, freeholder approvals, service charges, approval for works landlords' consent, mapping, schedules, dilapidations, tenant compliance, rent arrears, mediation and arbitration and instruct Legal service to prepare necessary documentation 	CO, F, WO
<ul style="list-style-type: none"> • Land management, including: <ul style="list-style-type: none"> ○ Negotiation of easements, rights of way, compensation for disturbance, memoranda of understanding, stakeholder engagement, consultation, encroachments, land protection measures, including landlord and boundary inspections, adverse possession claims, and other land management 	CO, F, WO
<ul style="list-style-type: none"> ○ Cemetery management ○ Management of trees owned by the Council 	F only F only
<ul style="list-style-type: none"> • Property management, including: <ul style="list-style-type: none"> ○ Support and advisory services including commercial transactions, insurance claims 	CO, F, WO
<ul style="list-style-type: none"> • Valuations, including: <ul style="list-style-type: none"> ○ Undertake valuations e.g. capital valuations, insurance, rating, rental and rent reviews 	CO, F, WO
<ul style="list-style-type: none"> • Land and property terrier: <ul style="list-style-type: none"> ○ Management and maintenance of the land and property terrier ○ Ensuring records are updated on completion of transactions ○ Reconciliation with Finance Asset register ○ Management of electronic property related records 	CO, F, WO
General: <ul style="list-style-type: none"> • Land and ownership enquiries • Agency e.g. marketing, viewings and procurement of agents where required 	CO, F, WO

Service area: **Land Charges**

Function	Council
Manage all administrative aspects of Land Charges service, including: <ul style="list-style-type: none">• Maintain Local Land Charges Register• Responding to requests for CON29 enquiries and charges against particular properties• Responding to requests from personal search companies• Liaison with County Council and other internal services regarding responses to CON29 requests and coordinate responses• Dealing with S157 requests	CO, F, WO

Service area: **Flood Engineering**

Function	Council
Preparing consultee responses on Planning applications	CO, F, WO
Design, procurement and implementation of flood relief schemes	CO, F, WO
Flood consent and enforcing	CO, F, WO

Service area: **All Services**

Function	Council
<p>Generic responsibilities:</p> <ul style="list-style-type: none"> • Production of reports as and when required in accordance with prescribed timetables • Attendance at meetings/dealing with elected members as required • Engagement with internal and external stakeholders and partners as appropriate • Maintaining appropriate legislative / regulatory / professional knowledge/networks and complying with relevant Continuous Professional Development (CPD) requirements • Writing and contributing to appropriate policies, procedures and guidance notes • Maintenance of records, including online records • Corporate responsibilities e.g. preparing responses to complaints, Freedom of Information (FOI) requests, transparency agenda, safeguarding, business continuity, emergency response, equality, Prevent, audit, health and safety, and risk management in compliance with specific Council policies as appropriate • Processing payments and invoices • Keeping website information up to date • Benchmarking, performance monitoring and statistical reporting/returns as required • Preparing responses to local and national consultations • Preparing and contributing to relevant funding bids • Providing training for elected members and parish/town councils as required • Preparing responses to Ombudsman complaints and legal challenges 	CO, F, WO

Agenda Item 8

 <p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>	<p>WEST OXFORDSHIRE DISTRICT COUNCIL</p>
<p>Name and date of Committee</p>	<p>Finance & Management Overview and Scrutiny Committee Wednesday 1 December 2021</p>
<p>Report Number</p>	<p>Agenda Item No. 8</p>
<p>Subject</p>	<p>Update of 2022/23 budget</p>
<p>Wards affected</p>	<p>All</p>
<p>Accountable member</p>	<p>Cllr Suzi Coul, Cabinet Member for Finance Email: suzi.coul@westoxon.gov.uk</p>
<p>Accountable officer</p>	<p>Elizabeth Griffiths, Section 151 Officer Tel: (01993) 861188 Email: elizabeth.griffiths@westoxon.gov.uk</p>
<p>Summary/Purpose</p>	<p>This report provides an update on the developing budget for 2022/23</p>
<p>Annexes</p>	<p>Annex A – Detail of base budget changes by service area Annex B – Prior year comparison</p>
<p>Recommendation</p>	<p>That the report be noted and that the committee submits comments to Cabinet as it wishes</p>
<p>Corporate priorities</p>	<p>Modern Council Services and Sustainable Finance: Delivering excellent modern services whilst ensuring the financial sustainability of the Council</p>
<p>Key Decision</p>	<p>No</p>
<p>Exempt</p>	<p>No</p>

1. BACKGROUND

- 1.1. Each year the Council prepares its budget for the following year. The Council's funding from the government finance settlement will not be known until December 2021 so this first draft of the budget for 2022/23 is an early indication of our revenue position and is subject to change.

2. MAIN POINTS

- 2.1. The current budget has been reviewed and amended in detail to ensure that every expenditure is necessary and every potential source of income has been recognised. While the work has been at a very detailed level, there are several main drivers of the change from last year's position.
 - A £1.7m improvement due to Covid contingencies and one off increases reversing.
 - A £1.8m reduction in funding due to the phasing out of New Homes Bonus
 - A £560k increase in staff costs, in large part due to the increase in NI rates
 - A £380k increase in the cost of the waste contract
 - A £300k increase in the cost of recycling (an uplift of 50%)
 - A one off cost of £650k to review the local plan
- 2.2. The current revenue budget position before growth requests is a deficit of £830k. We are aiming to fund the one off cost of the local plan as much as possible from existing planning grants and the balance may be funded from ear marked reserves such as Council Priorities. This would bring the current deficit down to £180k. Since the current budget draft does not yet include increases in fees and charges, we are hopeful that this gap will be closed.
- 2.3. The budget includes requests for growth. The bulk of these are two year commitments and are requests from the Future Oxfordshire Partnership (FOP). The main cost is to continue the work already in progress by this initiative, formerly called the growth board with additional funding requests for new programmes they would like to pursue. While we would always wish to work in cooperation with our colleagues across the County and it is of benefit to West Oxfordshire District Council that the FOP complete delivery of their agreed programme, we can fund short term initiatives from reserves but should avoid adding longer term funding commitments to our budget until such time as we have sufficient funding to cover our own services.
- 2.4. As usual, the first draft of the budget precedes the Government's Spending Review which will be published in December and will finalise our expected funding. We are always hopeful that additional funding will be given to offset the drastic impact of the removal of New Homes Bonus. We are also hopeful that they may choose to give a three year settlement which would add much sought after clarity to our medium term position.
- 2.5. In the MTFs presented to Council in February 2021 an estimated budget gap of £3m was forecast for 2022/23. This was driven by both the anticipated loss in New Homes Bonus and the expected reduction in rates income. In the main, it's the government's decision to defer the Business Rates reset, which is expected to cost this Council £2m in lost income, which has reduced this gap to just under £1m. Due to the continuing impact of Covid the government has again decided to defer the reset which gives the Council at least a further year of breathing space. Other material changes are explored in more detail below.
- 2.6. New Homes Bonus has been a very valuable funding source but the scheme is now part of the Government's Fairer Funding Review. For 2022/23 the level of funding has reduced from

£2.2m to £485,000. There is a possibility of some kind of replacement funding related to the provision of housing which would tie in with the Government's promise to increase the supply of new homes nationally but as yet nothing has been confirmed.

- 2.7. The most positive impact on the draft budget is the resumption of the full budgeted Management Fee income from GLL of just under £1.5m. In the summary table below, this figure forms part of the reversal of Covid contingencies.
- 2.8. Budget strains this year include a potential £380k increase in the Ubico budget, a £300k increase in recycling costs and an estimated £650k required to review the Local Plan. There may be some available grant funding in the Planning Delivery Grant to fund at least part of the local plan review and we could apply some of the Council Priorities reserve as this would be in line with the purpose of that reserve and is a necessary one off expenditure. The application of reserves to this cost to remove the impact on revenue will be clarified before the final draft of the budget is proposed in February.
- 2.9. The taxbase calculation has been initially drafted with the Council Tax figure in the table below assuming a Band D increase of £5 which has not yet been discussed and agreed
- 2.10. The current draft budget shows a deficit of £830k as per the table below, but this does not include the growth items that are subject to discussion and, if all agreed, would increase the deficit to over £1m. The air quality work is a one off, as is the extension of the debt advice service, with the remainder being two year requests.

3. 2022/23 BUDGET FUNDING POSITION – FIRST DRAFT

2020/21 budget surplus		0
Budget Movements	£	£
Expenditure		
Reversal of Covid Contingencies	(1,546,754)	
Reversal of one off items	(200,500)	
New Publica posts	275,446	
Publica savings identified	(54,119)	
Identified savings	(80,329)	
Fixed Term Contract posts	78,041	
Retained Staff Pay Inflation	20,291	
Publica Salary Inflation	593,184	
Ubico Contract Inflation first draft	383,046	
Recycling Contract Inflation	300,000	
Provision for Play Park Maintenance	50,000	
Contract Cleaning Saving	(37,500)	
Inflationary increase in utilities	35,279	
Housing Benefit Subsidy reduction	67,693	
Telephone Rental/Service Charge savings	(59,500)	
Local Plan review	650,000	
		474,278
Income		
Garden Waste 2021/22 budget correction	(179,000)	
Additional commercial property income	(280,000)	
Increase in Planning Application Fees	(100,000)	
		(559,000)
Funding Changes		
Council Tax	(464,674)	
Redistributed NNDR	121,000	
Reduction in New Homes Bonus	1,798,359	
Use of Earmarked Reserves	(539,935)	
		914,750
2022/23 DRAFT BUDGET SHORTFALL		830,028
Growth Requests		
Air Quality	25,000	
Future Oxfordshire Partnership	46,436	
Local Nature Partnership	13,833	
Inclusive Economy Partnership	15,383	
Management/Comms/Admin Support	13,000	
Civic Pride Officer	25,000	
Extension FTC Planning Policy Officer (backfill AT)	27,420	
Extension of CA debt advisor	42,000	
		208,072
2022/23 DRAFT BUDGET SHORTFALL		1,038,100
FINANCIAL IMPLICATIONS		

- 3.1 In 2021/22 contingencies were put into the revenue budget to recognise the loss of income due to Covid in respect of the GLL contract and Investment Property. These contingencies have now been reversed in line with the expectation that we will receive 100% of the budgeted Management Fee income from GLL and no new concessions for Investment Property rent will be required.
- 3.2 The government announced changes to National Insurance contributions in the Autumn budget amounting to an increased contribution of 1.25%. As yet the pay settlement for 2021/22 has not been agreed but has been included in the budget at the last offer of 1.75%. An estimate of 2% has been included for 2022/23.
- 3.3 Ubico contract inflation has been included at the level of the first draft of the Ubico budget. Discussions are ongoing with Ubico regarding meaningful revenue savings that can be delivered in the short to medium term. These have been put forward to portfolio holders for consultation and the Publica commissioners have been asked to prioritise those that can be quickly realised and to investigate the potential impact, both monetary and otherwise on any longer term proposals. The contract inflation figure is therefore subject to change.
- 3.4 Suez are contracted by the Council to manage kerbside recycling. The contract for the next 3 years went out to tender and Suez were the only bidder. Due to the increase in haulage and handling costs and the volatility of the recycle market, inflationary growth of £300,000 has been built into the Suez contract sum.
- 3.5 There are a number of play parks in the District which were built from S106 developer contributions which require annual maintenance and updating. A provisional estimate of £50,000 has been included in the base budget which will be subject to change following the outcome of the review requested by Informal Cabinet on 3rd November 2021. This does not include the capital cost of carrying out initial repairs on the play parks but this will be a capital expenditure which can hopefully be funded through S106 receipts.
- 3.6 We have seen significant rises in Electricity and Gas prices in the last couple of months and these are predicted to increase by 23%. The Property team monitor all corporate building costs very closely and it is hoped that the new agile working arrangements will deliver savings as we reduce the amount of office space needed.
- 3.7 New Fixed Term posts have been agreed for the Saltcross Project, Healthy Place Shaping and the second year of the Covid Workstream. These are all funded from earmarked reserves and grants which contribute to the increase in use of earmarked reserves seen at the bottom of the table.
- 3.8 The agreed £5 increase to Garden Waste licences for 2021/22 was not included in the base budget and this error is corrected here. 2022/23 fees and charges have not yet been agreed and are not included in this draft of the budget.
- 3.9 The purchase of Carterton Industrial Estate Plot 3 was the first investment under our new investment strategy agreed by Council last October and will deliver £280,000 of additional income to the Council. However we have not yet found replacement tenants for Talisman Unit 1 with a current annual rent of £96,000 and Des Roches Square with a current annual rental of £146,000 which both fall vacant in November 2021 as the tenants move out. There is a risk that these properties could remain empty.

- 3.10 Income from Planning Applications continues to be volatile month on month but overall is performing above current budget with some large applications expected in the next 12 months. A £100,000 one off growth in income has been included in the base budget for 2022/23 and this will be reviewed against actual performance before including permanent growth.
- 3.11 The taxbase for 2022/23 has been calculated as an increase of 2.79% or 1,254.46 additional Band D properties on the current year. 1.68% of this increase relates to new properties that are already on the valuation list with 1.1% being the estimated growth during 2022/23. This highlights the difficulty of estimating the timing of new build properties coming onto the valuation list. In 2021/22 we took a prudent approach to growth to allow for delays caused by Covid on the building sector and the delay from the Valuation Office for their part of the process. In reality the sector was not affected as badly as we had anticipated.
- 3.12 The estimated retained Business Rates income is based on the outturn from the Pool in 2020/21 and a prudent approach to collectable rates next year. It is anticipated that there will be more businesses in receipt of Small Business Rate Relief and it is possible the government will either extend existing schemes of rate relief as they have done in 2021/22 to support the recovery from Covid or introduce new schemes to support certain sectors of the economy. At present nothing has been confirmed but it is hoped that announcements will be made with the Local Government Settlement.
- 3.12 There is a possibility that more govt funding will be announced in the Local Government Settlement – particularly through the Lower Tier Grant which may help to smooth the huge reduction in New Homes Bonus. In the unlikely event that we forecast a surplus, the recommendation would be to set up a Major Contracts Pressures Reserve, recognising that within the next few years we need to replace the bulk of the waste fleet, the lease ends on the current waste depot and the Windrush Leisure Centre in Witney is likely to require significant repairs.
- 3.12 The requests for growth are as follows:
- One off additional consultancy of £25k in order to produce an updated air quality plan for Chipping Norton and Witney
 - £46k per annum to carry on funding the Future Oxfordshire Partnership (previously known as the Growth Board). The FOP have also suggested two further initiatives, the Local Nature Partnership (£14k per annum) promoting a County wide approach to nature conservation and the Inclusive Economy Partnership (£15k per annum) which seeks to promote inclusion in access to economic growth. All three would be supported by an admin package costing £13k per annum making the total package ask for all of the councils in the County £89k per annum. This per annum request is for two years.
 - The FOP stopped funding seconded staff in 21/22 adding an additional cost of £50k which was growth in the Council's budget last year. There is also a growth request to extend the contract of the secondment backfill costing £27k. This brings the total cost of the FOP to £166k per annum.
 - Contribution to a County wide coordinator role of £6k per Council. WODC has made a one off contribution to this role in the past but this would add it as growth to the revenue budget. The role would work closely with the FOP.

- A request has been made to allocate funding to the Citizens Advice Bureau (CAB) who received funds during lockdown to train a debt advisor but have no further funding to retain them beyond March. This request is made on the basis that this service is likely to be incredibly important to residents in the district in the coming year and that the CAB are the best people to deliver it.
- The final growth request is £25k per annum for an environmental office to increase enforcement activities around fly tipping and respond to issues raised.

4. LEGAL IMPLICATIONS

4.1. None

5. RISK ASSESSMENT

5.1. None

6. ALTERNATIVE OPTIONS

6.1. None

7. BACKGROUND PAPERS

7.1. None

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Annex A - detail of base budget changes by cost centre

	2021/22 budget	Reversal of Contingencies	Pay inflation	One Off Growth	Recurring Growth	2022/23 budget
Assets	(2,156,935)	(208,925)	44,375	0	(184,466)	(2,505,951)
Commissioning Strategy	6,332,921	0	401,655	0	9,150	6,743,726
Communications & Marketing	128,336	0	6,948	0	31,350	166,634
Contracts	1,241,965	(1,505,829)	10,437	0	250	(253,177)
Corporate Finance	1,654,530	(32,500)	64,019	22,500	(10,005)	1,698,544
Corporate Responsibility	1,274,132	0	33,602	(1,383)	(3,900)	1,302,451
Customer Experience	1,003,107	0	67,774	10,340	(60,246)	1,020,975
Development Management	437,213	0	106,507	(100,000)	89,944	533,664
Environmental & Regulatory Services	106,541	0	5,433	0	(15,000)	96,974
Finance	710,724	0	32,220	0	19,167	762,111
Insight & Intelligence	436,441	0	22,949	650,000	39,580	1,148,970
Localities	599,422	0	16,197	0	30,236	645,855
Operational Services	1,056,941	0	93,419	0	61,954	1,212,314
People	279,137	0	14,939	0	(14,500)	279,576
Technology	1,064,477	0	76,048	0	91,040	1,231,565
	14,168,952	(1,747,254)	996,521	581,457	84,554	14,084,230

Assets:

This cost centre covers our commercial properties and our climate change programme. Our Investment Property income has been subject to pressure over the last 18 months but with effective management from the Estates team putting payment plans in place, it is estimated that the Council will recoup the remainder of outstanding rent from 2020/21 by Quarter 2 of 2022/23. The purchase of Carterton Industrial Estate Plot 3 as part of our Recovery Programme, provides the Council with an additional £280,000 of rental income per annum.

Commissioning Strategy:

This budget covers grounds maintenance and waste and contains large parts of the Ubico budget. There has been pressure on the recycling element of the budget due to an increase in the cost of recycling resulting in a £300,000 per annum increase in contract costs for 2022/23 to 2024/25. Work is being carried out to develop a range of options to deliver long term revenue savings from the Waste Service to offset the market volatility of recycle income & disposal costs.

The income budget for Green Waste has been increased by £179,000 in relation to the 2021/22 increase that was not included in the base budget.

The final Ubico budget has yet to be agreed but initial inflation of £383,000 has been included in this first draft of the budget for 2022/23

Communications and Marketing:

Individual Business Managers have input into their marketing spend but work directly with the specialists in the Comms team who bring their expertise to each task and find the most effective and cost efficient way to reach the largest number of people.

Additional Communications Officer posts have been approved to work across all 3 of the Partnership Councils represented as a recurring growth item in the table.

Contracts:

The main item in this budget is the Leisure contract. The expected improvement in budget comes from the reversal of the contingency in the 2021/22 budget offsetting 100% of the Management Fee for the year, shown in the table above. GLL, who have the contract to operate the Leisure Centres are doing their best to return to a profitable operation and in 2022/23 we are anticipating receipt of the full budgeted monthly Management Fee. The monies advanced to them by the Council during the Covid pandemic are expected to be repaid during 2020/21 as agreed.

Corporate Finance:

This section covers centralised services like Legal and Treasury. The significant one off adjustment in the table reflects the reversal of Fixed Term posts brought in to support the Council's Covid response which will expire at the end of the 2021/22 financial year.

A new Project Manager and Project Support Officer have been agreed as permanent posts, shown in the table as recurring growth, to manage the delivery of complex projects which align with Council Priorities. Initially these posts will be funded through Earmarked Reserves.

Corporate Responsibility:

These are central governance costs, members costs, election costs etc. There are no significant growth items for 2022/23.

Customer Experience:

There is a variety of services contained in this area from Customer Services and Front of House to Homelessness. The closure of the Town Centre Shop has resulted in a reduction in staffing costs going forward. There are no other significant changes.

Development Management:

Planning application, appeals, conservation, flood defence and the Growth Board are covered by this budget which has seen a growth in both income and costs. The provision of 2 new career grade Planner posts, funded initially from Earmarked Reserves and an offsetting increase in income have both been included in the base budget. It is hoped that the introduction of career grade posts will improve the level of staff retention in the service and thus reduce the negative impact of both service and budget of regularly losing and recruiting staff.

Environmental and Regulatory Services:

Some small savings have been identified but there are no significant changes to report in this budget.

Finance:

There are no significant changes to report.

Insight and Intelligence:

The main focus of this budget is planning policy. There is a requirement to review the Local Plan which is likely to cost circa £650k. This cost may or may not all be incurred in the 2022/23 financial year but will impact our budget and reserves to the same extent either way. Confirmation is currently being sought as to whether some of the grant funding previously earmarked for the Garden Village could be used to offset this required expenditure.

Localities:

These are the budgets for communities, arts and tourism. There is no significant change in 2022/23.

Operational Services:

This department covers all aspects of benefit payments and revenue collection, including fraud investigation. It also covers Car Parking, Pollution Control, Food Safety and Markets. The growth showing in the table relates to the removal of a vacant Car Parking Enforcement Officer post and the movement in estimated Housing Benefit Subsidy. A review of Offstreet Parking income is currently underway in light of the fact that the service has not bounced back from the impact of Covid.

People:

People covers human resources and training. No significant change to this budget.

Technology:

This budget predominantly covers ICT. There are increases in software licence support & maintenance to reflect the current market rate increases of between 8% and 11%. These rises have been deferred and negotiated down where possible and, as much as we can, we've found or generated savings offset them. The cost of printing is currently significantly lower due to many staff working in an agile manner from home.

2022/23 Proposed Revenue Budget comparison to prior year

Annex B

2020/2021		2021/2022	2022/2023
Actual	Expenditure by Service Area	Budget	Estimate
£		£	£
(2,252,734)	Assets	(2,156,935)	(2,505,951)
5,907,883	Commissioning Strategy	6,332,921	6,743,726
123,076	Communications & Marketing	128,336	166,634
1,247,352	Contracts	1,241,965	(253,177)
1,913,371	Corporate Finance	1,654,530	1,698,544
1,259,226	Corporate Responsibility	1,274,132	1,302,451
1,004,070	Customer Experience	1,003,107	1,020,975
408,459	Development Management	437,213	533,664
100,432	Environmental & Regulatory Services	106,541	96,974
704,183	Finance	710,724	762,111
326,492	Insight & Intelligence	436,441	1,148,970
363,167	Localities	599,422	645,855
1,671,438	Operational Services	1,056,941	1,212,314
268,100	People	279,137	279,576
981,152	Technology	1,064,477	1,231,565
14,025,667	Total Cost of Services	14,168,952	14,084,230

2020/2021		2021/2022	2022/2023
Actual	Expenditure by Type	Budget	Estimate
£		£	£
5,155,908	Employees	1,090,188	1,111,479
1,166,484	Premises Related Expenditure	1,201,715	1,292,794
10,500	Transport Related Expenditure	22,900	16,500
5,891,774	Supplies & Services	4,299,085	4,910,855
16,815,791	Third Party Payments	17,658,208	19,243,525
21,071,047	Transfer Payments	16,827,407	15,112,480
1,769,452	Capital Charges	1,769,650	1,769,650
51,880,956	Total Cost	42,869,153	43,457,283
(37,855,290)	Income	(28,700,201)	(29,373,053)
14,025,666	Total Cost of Services	14,168,952	14,084,230

2022/23 Proposed Revenue Budget comparison to prior year

Annex B

	2021/2022	2022/2023
	Budget	Estimate
	£	£
Total Cost of Services	14,168,952	14,084,230
Capital Expenditure funded through revenue	540,100	540,100
Minimum Revenue Provision	397,701	251,102
Temporary loans interest	3,700	3,700
Interest on Long Term Borrowing	177,878	177,878
Capital charges - depreciation and amortisation reversals	(1,769,650)	(1,769,650)
Net Operating Expenditure	13,518,681	13,287,360
Treasury and Investment Income	(791,478)	(791,478)
Net Expenditure	12,727,203	12,495,882
<u>Contributions to / (from):</u>		
General Fund Balance	0	(830,028)
Net contribution to / (from) Earmarked Reserves	(286,304)	(826,239)
Balance to be met from Government Grants & Council Tax	12,440,899	10,839,615
Transfers to / (from) Collection Fund	(149,810)	(99,810)
Revenue Support Grant	(79,268)	(79,268)
New Homes Bonus	(2,284,075)	(485,716)
Rural Services Delivery Grant	(133,225)	(133,225)
Lower Tier Grant	(91,395)	(91,395)
Renewable Energy Schemes	(209,000)	(209,000)
Retained Business Rates (NNDR)	(4,581,000)	(4,460,000)
Business Rates Pool Distribution	0	0
Grants to Town & Parish Councils (Council Tax Support)	0	0
Net Requirement	4,913,126	5,281,201
Taxbase	44,917.96	46,172.42
Council Tax (at Band D)	£109.38	£114.38