

COTSWOLD DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE  
(SPECIAL MEETING)

9<sup>TH</sup> FEBRUARY 2016

Present:

Councillor Jim Parsons - Chairman

Councillors -

SI Andrews  
Julian Beale  
JA Harris

RG Keeling  
SDE Parsons  
NP Robbins

Observers:

Juliet Layton

OS.46 SUBSTITUTION ARRANGEMENTS

No substitution arrangements had been put in place for this Meeting.

OS.47 DECLARATIONS OF INTEREST

(1) Member Declarations

There were no Declarations of Interest from Members under the Code of Conduct.

(2) Officer Declarations

There were no Declarations of Interest from Officers.

OS.48 CHAIRMAN'S ANNOUNCEMENT

The Chairman announced his intention to vary the order of business to enable the Officers present for the item relating to Eunomia Research and Consulting to deal with that item before having to depart to attend another Meeting.

OS.49 EUNOMIA RESEARCH AND CONSULTING

The Committee considered a report detailing the work undertaken by Eunomia Research and Consulting in respect of the waste vehicle depot. The circulated report had sought to pull together information previously available, including a financial breakdown of the project and the Chairman drew attention to the following issues which, he considered to be the key ones:-

- appointments for various elements of the work, whether through Member or Officer authorisation, had followed due process;

- Terms of Reference had been drawn up for the work to be undertaken by Eunomia, including the scope and key requirements/deliverables. Progress had been monitored and reviewed through meetings/teleconferences and payments had been made using a staged approach, based on purchase orders and following completion of various elements;
- some work had been sub-contracted by Eunomia Research and Consulting, based on requirements. As such, the value of the work procured from Eunomia Research and Consulting itself fell significantly short of the overall figure of £183,000;
- the remuneration rates appeared to have been reasonable and cost-effective;
- there was a clear logic and rationale for the continued use of Eunomia Research and Consulting, as detailed at paragraph 2.2.7 of the circulated report;
- at the Council Meeting on 15<sup>th</sup> December 2015, the Cabinet Member for Health, Environment and Communities had confirmed that any future consultancy work would be subject to relevant tendering/procurement processes.

In response to various questions from Members, it was reported that the contract for the original alternative site assessment phase had cost £82,000; such funding had been made available from the Council Priorities Fund; the key purpose of the project was to secure an operational waste depot, with the potential to accommodate a waste transfer station as ancillary; and Eunomia Research and Consulting had entered into sub-contracts with companies which were best placed to undertake any specialist work required.

Some Members expressed the view that the shortlisting of appropriate sites had not required any understanding of complex issues as a lot of the information had been provided by Officers. They pointed out that the original preferred site had been deemed to be the most appropriate, even though it was in close proximity to houses, including a number of holiday homes, and recreational lakes and had met with hostility from local residents and they disputed that the decision represented value for money as the proposal to also use the site as a waste transfer site had subsequently been abandoned. They calculated the total cost of purchasing the site to be in the region of £250,000, and contended that not all of the objectives had been achieved; there had been a lack of project management and financial control, which did not reflect well against the Council's stated aim relating to efficiency, and that future contracts should not be let without going through a proper tendering process.

In response, the Chairman reminded the Committee that, by the end of the current financial year, the setting-up of Ubico Ltd., which had been undertaken with Eunomia's advice, would have saved the Council in excess of £3m over a period of three and a half years. Officers disagreed with the views expressed. They considered that the project had identified and delivered the most suitable site for use as an operational waste depot site, given the Area of Outstanding Natural Beauty and heritage constraints across the District. They further considered a CLUED to have been the appropriate way to address the planning issues in respect of this site; Eunomia Research and Consulting had a good

record of working with the Council and knowledge of its requirements; there could have been a conflict of interest if the Council had sought to carry out the site assessment in-house; it was unlikely that the Council's staff had the expertise and knowledge to carry out that assessment; the engagement of consultants constituted an efficient use of resources on this occasion; the costs had been comparable to other contracts; and future work would require another tender process.

A Member stated that there had been other options available which would have ensured an independent approach in relation to this contract. The Member commented that giving existing staff an opportunity to undertake such work could have helped in retaining those staff and that there was a budget available to address issues of capacity and/or gaps in knowledge. The Member concluded by suggesting that tenders should be sought for future contracts, the budget should be clearly stated, and progress should be monitored.

Another Member expressed the view that it was sensible to seek independent advice for this sort of project and that, on this occasion, an appropriate sum had been expended. The Member agreed with the previous speakers that an assessment should always be made of the appropriateness of appointing external consultants. A further Member noted that the contract had been subject to scrutiny by the Cabinet and that no impropriety had been identified in the process followed, and that principles and likely benefit should be balanced against scrutinising issues of detail.

**RESOLVED that the report be accepted.**

**Record of Voting - for 7, against 0, abstentions 0, absent 0.**

Note:

The Committee thanked Officers for their work in relation to this item.

OS.50 DRAFT MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2019/20 AND BUDGET 2016/17

The Committee was requested to consider the draft Medium Term Financial Strategy (MTFS) 2016/17 to 2019/20, and the draft Budget 2016/17, and to forward any comments to the Cabinet and the Council.

Arising thereon:-

(i) Background - Settlement Funding Assessment

It was reported that the draft MTFS had been updated since the Committee's previous Meeting to include details of the provisional local government financial settlement for 2016/17, and that there had been a decline in Government funding to the Council since the 2013/14 financial year. In response to a question from a Member, it was further reported that the budget proposals put before Gloucestershire County Council's Cabinet was for a 3.99% increase in Council Tax, made up of two elements; an across the board increase of 1.99 % and a further 2% increase which had to be spent on adult services. In practice, all of the increase would go to meet increased demand for adult services and an increase in the number of vulnerable children.

In response to another question, it was reported that the Council was unable to require the development of a site for housing once planning permission had been granted. However, the Government was focussing attention on the delivery of housing and it was considered that there should be discussions over that issue. A Member commented that the decision by this Council not to build new homes itself had been a political one.

In response to further question, it was reported that the Council would receive a negative Revenue Support Grant (RSG) in the 2019/20 financial year, which would be achieved through a reduction in its Business Rates Target from £1.8m to £1.6m. A Member suggested that the negative support grant figure should be shown as such in the report and not netted off.

(ii) New Homes Bonus

The Government consultation in relation to changes to New Homes Bonus (NHB) was open until March 2016, and it was noted that there was a proposal for an allocation to better reflect social care responsibilities. It was suggested that the draft response to this consultation should be included in the report submitted to the Council on 23<sup>rd</sup> February 2016.

It was considered that the proposal to appropriate surplus NHB in 2016/17 to the Council Priorities Fund was a prudent method to keep the sum in the base budget at a reasonable level for use in relation to one-off projects.

(iii) Business Rates and the Gloucestershire Business Rates Pool

In response to a question, the Chief Finance Officer apprised the Committee of the current situation in relation to the successful backdated appeal by Virgin Media. The Chief Finance Officer also apprised the Committee of the potential impact on the Pool if NHS Foundation Trusts were to be successful in their appeals for mandatory rate relief.

In response to a further question, it was reported that, as at 31<sup>st</sup> December 2015, there were 384 outstanding business rates appeals in the District, which equated to a rateable value of £17.8m, and Officers amplified various aspects thereof. It was reported that the Council's future participation in the Gloucestershire Business Rates Pool was determined on an annual basis and that, in the opinion of Officers, there would be a significant benefit to the Council to remain in the Pool for the financial year 2016/17.

(iv) Council Tax

It was reported that the Council was able to consider an increase of up to £5 per Band D equivalent property. The Chief Finance Officer referred to the best and worst case scenarios, attached at Appendix 'A5' to the circulated report. In response to a question, it was further reported that a potential freeze on Council Tax for the financial year 2016/17 could be supported.

(v) Collection Fund

It was suggested that the report to the Cabinet and Council should be amended to include a break-down of the Gloucestershire County Council, Police and Town/Parish Council elements of Council Tax.

(vi) Financial Planning Assumptions

It was noted that the financial planning assumptions, detailed at paragraph 6 of the circulated report, were reviewed on an annual basis.

(vii) Unavoidable Budget Pressures

In response to a question, it was reported that the proposed development at Brewery Court, Cirencester would result in a loss of income to the Council in a sum of £15,000 in the forthcoming financial year.

(viii) Revenue Reserves

In response to a question, it was reported that the Council practice was to pool income from business rates and Council Tax, and to invest the monies for as long as possible in order to generate a return on investment.

(ix) Risks

It was reported that the risks to the Council had been assessed and had been built into the worst case scenario attached at Appendix 'A5' to the circulated report. The total value of the risk to the Council was estimated to be in a sum of £1.1m, and it was noted that the level of general fund balances was in excess of such sum.

A Member suggested that this paragraph should be amended to include an explanation of the financial impacts if risks were realised, including the impact on reserves, and other financial mitigations. Another Member suggested that a distinction should be made between 'inherent' risks and those that could be controlled by the Council, including a comment on the ability of the Council to mitigate against such risks. The Member also contended that reference should be made to achieving a balanced budget.

(x) Appendix 'C' - Summary of Budget Consultation Responses

A Member contended that this was the worst consultation exercise ever, achieving only twelve responses out of a population of approximately 80,000. The Member suggested that consideration be given to better publicising such exercises in the future in order to achieve an improved response rate, and that the questions should be better phrased.

In endorsing the comments made, another Member expressed the view that too much information had been presented to Town/Parish Councils at the recent liaison Meetings, and that a better presentation of the information was required.

The Chief Finance Officer commented that, in part, the response rate had been low because the consultation was in respect of what was, essentially, a 'standstill' budget. However, consideration would be given to promoting future consultations through social media.

**RESOLVED that the report be noted and the Committee's comments be forwarded to the Cabinet and the Council.**

**Record of Voting - for 7, against 0, abstentions 0, absent 0.**

The Meeting commenced at 10.05 a.m. and closed at 11.34 a.m.

Chairman

(END)