

COTSWOLD DISTRICT COUNCIL

OVERVIEW AND SCRUTINY COMMITTEE  
(SPECIAL MEETING)

6<sup>TH</sup> FEBRUARY 2018

Present:

Councillor Jenny Forde - Chairman

Councillors -

SI Andrews  
Andrew Doherty  
RG Keeling

RA Morgan  
NP Robbins

Substitutes:

AW Berry (until 12.15 p.m.)

Apologies:

SDE Parsons

OS.33 SUBSTITUTION ARRANGEMENTS

Councillor AW Berry substituted for Councillor SDE Parsons.

OS.34 DECLARATIONS OF INTEREST

(1) Member Declarations

There were no declarations of interest from Members.

(2) Officer Declarations

There were no declarations of interest from Officers.

OS.35 CHAIRMAN'S ANNOUNCEMENTS

The Chairman urged Members to read the 'House of Commons' Communities and Local Government Committee Effectiveness of Local Authority Overview and Scrutiny Committees First Report of Session 2017-2019', copies of which had been circulated at the Meeting.

The Chairman explained that she was working with the Head of Paid Service to secure some dedicated resource for the Committee moving forward.

OS.36 PUBLICA UPDATE

The Committee received a report which provided a general update on various Publica issues, with particular focus on feedback from partner councils on the governance arrangements, including the draft commissioning framework and the Member Liaison Group. Mr David Neudegg, the Managing Director of Publica, was in attendance to introduce and speak to the report, and respond to Members' questions thereon.

A Member expressed the view that it would have been helpful for the Minutes of the Committee's previous Meeting to have been included within the agenda papers, particularly in light of previous consideration given to governance issues generally and the Member Liaison Group. In response, the Head of Democratic Services explained that it was not usual practice or a legal requirement to present Minutes for confirmation at Special Meetings, but acknowledged that the inclusion of an appropriate extract from those earlier Minutes could have been beneficial. The Head of Democratic Services also drew attention to the fact that an alternative way forward had now been recommended for the Member Liaison Group.

The circulated report contained information in respect of company governance; service standards; the Member Liaison Group; and the Commissioning Framework. The Managing Director explained that the fundamental principle to governance was the intention to ensure that the Committee continued to enjoy a full and undiminished role.

In response to various questions from Members, it was reported that service standards had been approved by the Council in 2016; as a contract existed between the Council and Publica, any amendments thereto would be dealt with as separate issues; and that service specifications and standards had continued at the same level throughout the launch of Publica, with an understanding that the levels would be worked on/reviewed and formalised by the end of March 2019. The Managing Director confirmed that staff satisfaction surveys had recently been undertaken, and feedback from those surveys would be reported to the Committee in due course.

It was reported that work continued on developing service plans, both on a group and individual service basis. Initial prototype documents were being tested and subjected to on-going review and change. An update on service planning and performance indicators would be presented to the Committee's Meeting on 13<sup>th</sup> March 2018.

The Managing Director also provided a summary of the launch period, and identified a number of legal requirements associated with the company, such as the need to register a company office and display relevant signs. He also explained that the transfer of staff had been achieved successfully and that, whilst there continued to be some HR challenges, overall performance had largely remained the same with some improvements.

Particular attention was drawn to the communications plan for the partner councils, which included (i) informal briefings with Cabinets attended by Executive Directors and the Chairman of Publica; (ii) presentations to Scrutiny Committees; (iii) informal Council briefings open to all Councillors (attended by Executive and Non-Executive Directors); and (iv) regular "Keeping You Connected" e-mails to all Councillors. There was also a commitment to provide an update to each Partner Council on a quarterly basis, detailing performance,

issues and any major changes to service delivery. All Members would also receive information via the annual report to the Council.

Some Members questioned the level of public knowledge of Publica and questioned to what extent Members should inform the public and Town/Parish Councils of the company and its role, in light of recent job vacancies being advertised under the Publica brand. The Managing Director explained that Publica would continue to operate largely 'behind the scenes' and that the Council would still be seen as the main public-facing organisation, and brand.

Some Members questioned if there was still a requirement for the Member Liaison Group, as they considered there was a risk that the Group could replicate the formal structure of the Overview and Scrutiny Committee. They suggested that an informal User Group might be a more suitable option.

The Head of Democratic Services then summarised the points raised during, and actions arising from, the debate, as follows:-

- (i) the Committee was content with the company governance and scrutiny arrangements subject to review of operation;
- (ii) the Committee acknowledged that service specification and standards baselines needed to be established for many services;
- (iii) an update on service planning and performance indicators would be presented at the next Meeting on 13<sup>th</sup> March 2018;
- (iv) the draft Publica Business Plan 2018/19 would be presented to the Committee, and the Cabinet, in March 2018;
- (v) the Managing Director would present a further progress report at the Committee's Meeting on 5<sup>th</sup> June 2018, to include an update on service transformation;
- (vi) the Managing Director would consider the introduction of an informal user group, in liaison with Council Leaders and relevant Cabinet Members;
- (vii) the draft Commissioning Framework be reviewed in March 2019.

**RESOLVED that, subject to the comments made, the update be noted.**

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

OS.37 DRAFT MEDIUM TERM FINANCIAL STRATEGY 2018/19 TO 2021/22

The Committee was requested to consider the Medium Term Financial Strategy (MTFS) for the period 2018/19 to 2021/22, in the light of consultation feedback and other developments since its Meeting on 5<sup>th</sup> December 2017; and to provide feedback to the Cabinet and the Council as part of the Budget process.

To aid the Committee in its deliberations, the Chief Finance Officer gave a presentation, drawing particular attention to the following changed circumstances:-

- the Prudential Code had been published in late December 2017 and required a new Capital strategy to be approved by Council for 2018/19;
- the Treasury Management and Capital Strategies would be presented to the Cabinet and Council at their respective Meetings on 15<sup>th</sup> and 20<sup>th</sup> February 2018, as additional Appendices to the MTFs and budget report;
- there had been an increase in responses to the budget consultation over previous years, with 32 returns; there had been mixed responses to the consultation questions particularly in respect of council tax increases; overall, there was support of: a freeze on car park charges and garden waste charges; no changes to Voluntary Sector Grants; maintaining service standards; and an even balance of those for and against the phasing out of Local Council Tax Support grants;
- a variety of comments had been expressed by 16 on-line respondents on matters such as: investment in town infrastructure and links with strategic planning; youth facilities; a proposed rail link from Kemble to Cirencester; charging for discretionary services; and the 'cost of democracy' - the implications of three separate tiers of local government within the County. In addition, it had been suggested that consideration be given to the writing-off of loans to charitable organisations; making grants available to Town/Parish Council through Ward Members; investing in property in order to generate income; and reducing pressure on the Housing Waiting List.

In response to various Member questions, the Chief Finance Officer reported that the Provisional Local Government Finance Settlement had confirmed the third year of a four-year deal; introduced a pilot 100% Business Rates Retention Pool in Gloucestershire; and revised the planned implementation of 100% Business Rates Retention in 2020/21 to a 75% retention scheme. However, it was reported further changes may be made as part of the final settlement. The Provisional Settlement had increased the Rural Services Delivery Grant for 2018/19. It was also reported that the Business Rates estimates for 2018/19 had been completed at the end of January. Overall, the Council would be considering a budget surplus of £483,000 for 2018/19.

Members were advised the Council had re-tendered for treasury advice and had appointed Arlingclose. The Treasury Advisors had reviewed the Council's investment portfolio and had considered that the Council was holding too much in cash deposits and could generate a higher return on those investments by using a range of pooled investment products.

The presentation also highlighted the grants which had been included in the Medium Term Financial Strategy report submitted to the Committee at its Meeting on 5<sup>th</sup> December 2017 (Minute OS.28 referred), and the revised savings target of £430,000.

The Chief Finance Officer amplified aspects of the Revenue Support Grant and the Business Rates Retention Pool Pilot. It was noted that, whilst there was no overall impact as the funds would be through Business Rates, there was risk associated with being a Pool Pilot. It was also explained that, under the governance arrangements agreed for the Pool Pilot, a proportion of the financial

benefit would fund a contribution to the Gloucestershire Economic Growth Joint Committee and Gloucestershire County Council.

In summary, it was explained that the first two years of the MTFs would be 'comfortable'; however, there would be significant changes in 2020/21 with the implementation of the outcome of a Fairer Funding Review; the introduction of a 75% Business Rates Retention Scheme; and the re-setting of the Business Rates baseline. It was considered that a surplus of £483,000 would be beneficial to the Council as it would support the Council in managing the impact of the changes from 2020/21. The amount of capital receipts currently stood at £12.6m, but this sum would reduce to £4m due to improvements proposed in respect of the Waterloo Car Park, Cirencester. It was reported that the minimum level of Revenue Reserves was between £1.1m and £1.2m; the key risks to the MTFs were considered to be changes imposed by the Government, the impact of unforeseen legislative changes and the local land charges transfer.

In response to a question from the Chairman, it was reported that the Chief Finance Officer, in consultation with the Leader of the Council, determined the questions to be included in the public consultation exercise. It was agreed that the Committee could be involved in the future.

A Member suggested that the presentation by the Council's Treasury Management Advisors, recently received by the Audit Committee, should be made available to all Members at a future Council Meeting. The Member also requested that a copy of a letter received from residents in Moreton-in-Marsh be forwarded to Gloucestershire County Council.

The Committee thanked the Chief Finance Officer for what it considered had been a most informative and interesting presentation.

**RESOLVED that the following comment be forwarded to the Cabinet and the Council:-**

**'Having regard to the information gleaned from its involvement in the review of the Draft Medium Term Financial Strategy thus far, the Overview and Scrutiny Committee considers it should be involved in formulating the next round of public consultation in the hope of obtaining objective data'.**

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

The Meeting commenced at 10.00 a.m. and closed at 12.20 p.m.

Chairman

(END)