

Minutes

of a meeting of the

Scrutiny Committee

held on Thursday, 7 February 2019 at 7.00 pm

at the Meeting Room 1, 135 Eastern Avenue, Milton Park, Milton, OX14 4SB



Open to the public, including the press

Present:

Members: Councillors Debby Hallett (Chairman), Chris Palmer (Vice-Chairman), Mike Badcock, Matthew Barber, Robert Hall, Vicky Jenkins, Sandy Lovatt, Ben Mabbett and Judy Roberts

Officers:

Duncan Grainge, Simon Hewings, William Jacobs, Adrianna Partridge, Donna Pentelow, Ron Schrieber, Richard Spraggett, Mark Stone and David Wilde

Also present:

Councillors Alice Badcock, Ed Blagrove and Robert Sharp

Sc.56 Apologies for absence

None.

Sc.57 Minutes

The minutes of the meeting held on 29 November 2018 were agreed as an accurate record and were signed by the Chairman.

Sc.58 Declarations of interest

Councillor Mike Badcock declared that he would be stepping down from the committee for Agenda Item 7: 2017/18 performance report for The Beacon, Wantage.

Sc.59 Urgent business and chairman's announcements

None.

Sc.60 Public participation

None.

Sc.61 Budget 2019/20

The committee considered the head of finance's report. This brought together all relevant information to allow Cabinet to recommend to Council a revenue budget for 2019/20 and a capital programme for 2019/20 to 2023/24. The report also recommended the prudential indicators to be set by the Council in accordance with 'the Prudential Code', introduced as part of the Local Government Act 2003 and included the Medium Term Financial Plan (MFTP), which provided details of the forward budget model for the next five years.

William Jacobs, head of finance, introduced the report. Also present to answer questions were Councillor Robert Sharp, the Cabinet member for finance, Mark Stone, chief executive, Simon Hewings, strategic finance manager, and Richard Spraggett, senior finance business partner.

The report highlighted the uncertainty regarding future funding due to, amongst other things:

- whilst 2019/20 was the final year of the New Homes Bonus (NHB) scheme in its current form, it was not yet known what income would be receivable in future under a revised NHB scheme or a replacement scheme,
- future funding received from the retained business rates scheme would depend upon the outcome of the Government's "Fair Funding" review of local government funding.

The Government was currently consulting on the "Fair Funding" review and would be consulting on a replacement NHB scheme in due course.

Members expressed concern that the use of reserves to balance the MFTP was not sustainable beyond the medium term. In response the head of finance reported that the council had commissioned the Chartered Institute of Public Finance and Accountancy (CIPFA) to support it in challenging the budget, which had resulted in approximately £500,000 base budget reductions being identified. These savings did not affect frontline service delivery.

RESOLVED: to note the report

Sc.62 2017/18 performance report for The Beacon, Wantage.

Following the identification of incorrect financial data being presented to the committee in October 2018, the committee considered the report of the head of community services which updated the committee on actions taken in response to its recommendations in September 2017 and which set out progress towards The Beacon's 2018/19 targets.

Donna Pentelow, head of community services, introduced the report. Also present to answer questions were Councillor Alice Badcock, Cabinet member for community services, and Duncan Grainge, arts and community centres manager.

An addendum to the report set out the source of errors in the previous report and further action to be taken, as follows:

- The expenditure and income figures in the original report were not the most up to date figures on the general ledger. For all future reports, figures will be checked by both the service and accountancy against the general ledger.
- The original figures did not take into account the estimated contract costs for Vinci, which had not been calculated at the time the first report was written.
- All staff, not just at The Beacon, will seek appropriate training and guidance relating to financial management and financial controls, as directed by management.
- Where any local management information is held, a process is in place to regularly reconcile it to the general ledger.

In response to members' questions regarding the council contribution to The Beacon's expenditure, the committee was advised that it was expected to remain at its current level for the foreseeable future.

The committee requested that The Beacon's key performance indicators should be reviewed and suggested that the average cost per visit would be a better indicator of performance than the average cost per occupied hour.

Members complimented The Beacon's staff on their excellent, friendly and efficient service.

RESOLVED: to note the report

Sc.63 Corporate services contract changes and action plan update

The committee considered the report of the head of partnership and insight which gave an update on progress to date and next steps to address shortcomings in the council's IT or other corporate services provision and, in particular, the five change control notices raised to address specific concerns at the time.

Councillor Ed Blagrove, Cabinet member for corporate services, introduced the report. Also present to answer questions were Mark Stone, chief executive, and David Wilde, IT consultant.

The committee was informed that the five change control notices raised in July 2018 had been progressed as follows:

- Return of the counterfraud service to South and Vale councils – completed in December 2018
- Return of all strategic finance responsibilities to South and Vale councils – completed in December 2018.
- Transfer back of strategic HR responsibilities to South and Vale councils – this change is now being considered as part of a wider commercial conversation.
- Finance system upgrade or replacement for South and Vale councils – this change was split into two:
 - On Pay360 the new system went live in December 2018 and the old Civica system has been retired.
 - On the finance system, the project has been fully defined and is ready to begin but there are ongoing commercial matters which need to be resolved.

- Separation of active directories for South and Vale councils from the five councils shared platform – this change is now being considered as part of a wider commercial conversation.

In response to members' questions, the committee was advised that it was anticipated that commercial negotiations would be concluded by September 2019.

RESOLVED: to note the report.

Sc.64 Work schedule and dates for all South and Vale scrutiny meetings

The committee noted its work programme.

The meeting closed at 7.50 pm