

Minutes

of a meeting of the

Joint Scrutiny Committee

held on Thursday, 21 January 2016 at 6.30 pm

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

Open to the public, including the press

Present:

Members: Councillors: Richard Pullen, Judy Roberts, Alice Badcock, David Dodds, Monica Lovatt, Ben Mabbett, Bill Service, Ian White and Toby Newman

Officers: Steve Bishop, David Buckle, Susan Harbour and Anna Robinson

Also present: Councillor Matthew Barber and Lynn Lloyd (Cabinet members for the Corporate Services Project); John Newton, consultant project manager, and Councillors Stefan Gawrysiak, Tony Harbour and John Walsh.

Number of members of the public: 0

Sc.18 Notifications of substitutes and apologies for absence

Apologies were received from:

- South Oxfordshire District Councillor Sue Lawson: her substitute was Toby Newman;
- Vale of White Horse District Councillor Katie Finch.

Sc.19 Minutes and actions arising

The minutes of the Joint Scrutiny Committee held on 22 October 2015 were approved by the committee and it was agreed that the Chair would sign them.

Sc.20 Declarations of interest

There were no declarations of interest.

Sc.21 Urgent business and chair's announcements

The Chair reminded the committee that the documents printed on lilac paper were exempt and subject to strict confidentiality rules.

Sc.22 Statements, petitions, questions from the public relating to matters affecting the scrutiny committee

None.

Sc.23 Work schedule and dates for all South and Vale scrutiny meetings

The committee approved the work schedule and made no amendments to it.

Sc.24 Corporate services project

The report was presented by the lead officer for the project: Steve Bishop, strategic director. Also at the table were: David Buckle, chief executive and lead officer for the client team; Matthew Barber, leader of Vale of White Horse District Council and Cabinet member for the corporate services project; Lynn Lloyd South Oxfordshire District Council Cabinet member for the corporate services project, and John Newton, consultant and project manager.

The committee had a wide ranging discussion asking questions of clarification and raising concerns about a range of topics; the main subjects raised and the responses are summarised below:

- **Would there be any impact on residents in terms of the services they would receive?** The officers and Cabinet members believed that residents would experience an improvement in services as best practice and added value were included in the contract. The contractors would also be subject to more scrutiny and the need to meet key performance indicators than internal departments of the councils were currently subject to.
- **How would the client team work?** A client manager would be recruited to work across all five councils. They would appoint a client team which would have specific areas of responsibility for various parts of the contracts. These posts would not be council specific.
- **How were the savings to each council apportioned?** An agreement had been reached that each council would receive a percentage saving rather than cost sharing. This meant that South and Vale each benefited from a 27.4 percent saving on Lot 1 (awarded to Capita) and a 15 percent saving on Lot 2 (awarded to Vinci) across the 9 year span of the contract. Bidders were incentivised to provide savings from year one right through to the contract end. The savings were in percentages and the figures for each council were different as the base budgets were different. The savings given do not include the costs of the client team and therefore the net savings are expected to be lower once these were factored in. The net average saving, after deducting client costs, to each of South and Vale councils will be approximately £750,000 per year throughout the contract.
- **What other benefits and savings would the councils make, particularly from the marketing of this model by the contractors?** The model is extendable and it would be possible for other councils to replicate the business model, creating further economies of scale and therefore direct savings to existing councils: the mechanics of this would be worked out through the Lot 1 and Lot 2 contracts and the Inter Authority Agreement. Additionally, contractors would be providing expertise on the potential for further savings in the retained services, although these would be subject to political agreement.

Matters of Clarification

- All data would remain the property of the sovereign councils, rather than that of the contractors.

- All energy savings gained by the contractor (Vinci), of which the contractor would retain a significant part, must be due to the direct actions of the contractor and not to variables such as weather.
- Political involvement/ management of the process would come through the creation of a Joint Committee which would include portfolio holders, as well as senior officers, from the five councils. The contracts would be scrutinised by a joint overview and scrutiny committee of all five councils: this would meet a minimum of annually, or more often if the need arose.
- If any of the partner councils or contractors wished to withdraw from the contract early, a mechanism is in place for compensation to be made to the remaining parties of the agreement.

RESOLVED:

To recommend to Cabinet that it:

- (a) designates Capita as the preferred bidder for Lot 1 of the five councils' new joint corporate services contract from 1 August 2016;
- (b) designates Vinci as the preferred bidder for Lot 2 of the five councils' new joint corporate services contract from 1 August 2016;
- (c) authorises the strategic director for finance, in consultation with the relevant Cabinet members, to agree the final terms and complete the new corporate services contract documents, and authorises the head of legal and democratic services to enter into the contracts and any other necessary agreements;
- (d) agrees to enter into an Inter Authority Agreement (IAA) between the five partner councils substantially in the form attached as appendix 1 to the strategic director's report and delegates authority to the chief executive, in consultation with the relevant Cabinet members, to finalise the terms of, and to enter into, the agreement;
- (e) agrees to set up a joint committee as set out in the IAA and in accordance with the details set out in appendix 3 to the report and to delegate authority to the chief executive to finalise the terms of reference of the committee;
- (f) agrees to the establishment of a joint client side team, based on the principles set out in appendix 2 to the report.

To recommend to Council that it:

- (i) agrees to establish a corporate services joint overview and scrutiny committee in accordance with the draft terms of reference outlined in appendix 4 to the report;
- (ii) authorises the chief executive to finalise the terms of reference of the committee;
- (iii) authorises the head of legal and democratic services to appoint members and substitutes to the committee in accordance with the wishes of the relevant group leader(s) and make consequential changes to the constitution.

Sc.25 Exclusion of the public, including the press

The Chair moved that, in accordance with Section 100A(4) of the Local Government Act 1972, the public, including the press, be excluded from the remainder of the meeting to prevent the disclosure to them of exempt information, as defined in Section 100(I) and Part 1 of Schedule 12A, as amended, to the Act as the following items were to be considered:

Category 3 - Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Category 4 - Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

Sc.26 Corporate service project

The committee asked for clarification of the above topics in more depth. There are no confidential minutes recorded as no new information was raised and there was no direct impact on the resolution of the committee.

The meeting closed at 7.31 pm