

STRATEGY & PARTNERSHIPS SCRUTINY COMMITTEE

MINUTES of the meeting held on Thursday, 26 July 2012 commencing at 10.00 am and finishing at 12.10 pm

Present:

Voting Members: Councillor Lorraine Lindsay-Gale – in the Chair
Councillor Ray Jelf (Deputy Chairman)
Councillor David Turner
Councillor Marilyn Badcock
Councillor Norman Bolster
Councillor Liz Brighthouse OBE
Councillor Tim Hallchurch MBE
Councillor Larry Sanders
Councillor Patrick Greene (In place of Councillor Caroline Newton)
Councillor Carol Viney (In place of Councillor David Wilmshurst)

Other Members in Attendance: Councillor Hudspeth (for Agenda Items 5, 6 and 9)

By Invitation:

Officers:

Whole of meeting Sue Scane, Assistant Chief Executive and Chief Finance Officer
Julia Lim, Senior Policy Officer

Part of meeting

Agenda Item	Officer Attending
7	Peter Clark Monitoring Officer and Head of Law and Governance
8	Lorna Baxter Deputy Chief Finance Officer

The Scrutiny Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting [, together with a schedule of addenda tabled at the meeting/the following additional documents:] and agreed as set out below. Copies of the agenda and reports [agenda, reports and schedule/additional documents] are attached to the signed Minutes.

46/12 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS (Agenda No. 1)

Apologies were received from Councillor Wilmshurst (Councillor Viney substituting) and Councillor Newton (Councillor Greene substituting).

47/12 DECLARATIONS OF INTEREST - SEE GUIDANCE NOTE ON THE BACK PAGE

(Agenda No. 2)

None.

48/12 MINUTES

(Agenda No. 3)

The Minutes of the meeting held on the 31st May 2012 were approved.

The Chairman asked Julia Lim to follow up actions agreed on page 5 in relation to the county's Health and Wellbeing Strategy with Jackie Wilderspin Assistant Director of Public Health.

49/12 SPEAKING TO OR PETITIONING THE COMMITTEE

(Agenda No. 4)

None.

50/12 DIRECTOR'S UPDATE

(Agenda No. 5)

The Assistant Chief Executive & Chief Finance Officer, Sue Scane, gave an update on current issues within the Chief Executive's Office of relevance to the committee.

Local Government Finance

The government has released more detail of its plans for local business rate retention in a recent consultation document. This along with other changes to local government funding (including the Community Infrastructure Levy) place increasing emphasis upon the importance of the county / district relationship in future. Discussions on financial interrelationships are being taken forward via the Oxfordshire Leaders' Group. The Group has recently agreed that the option of pooling business rates across the county should be explored.

LGA national analysis has demonstrated that funding for social care in future will become increasingly stretched. Therefore the council continues to look at how to deliver services differently in order to use our funding most effectively.

Sue also highlighted that the government has also released a consultation on future funding for Academy schools. The council is due to receive a refund payment for some school related funding removed from budgets by the Department for Education that the government has since reviewed and found to be disproportionate.

Councillor Hudspeth stressed the importance of all Oxfordshire local authorities being aware of the interdependencies between authorities and actively working together.

Local government finance was covered again in more detail later in the agenda.

51/12 UPDATE FROM THE STRATEGY & PARTNERSHIPS SCRUTINY WORKING GROUP

(Agenda No. 6)

Councillor Lindsay-Gale (Chairman of the working group) gave an update on progress so far. Councillor Hudspeth joined the table.

The working group is particularly focusing on how Members can be more engaged in policy development, how scrutiny can have more 'teeth' / influence and how decision making can be improved.

A Member survey has been circulated to gather views on current governance structures within the council. To enable more responses the deadline for this survey has been extended to 20th August 2012.

Councillor Hudspeth stressed the importance of Members across the council putting forward ideas for improvements to the current system.

Councillor Bolster explained he had done some internet research on alternative scrutiny models and found a limited range of alternatives.

The progress of the working group will be picked up again at future meetings.

52/12 BRIEFING ON THE LOCALISM ACT 2011

(Agenda No. 7)

Peter Clark (Head of Law and Governance and Monitoring Officer) and Julia Lim (Senior Policy Officer) provided an overview of the Localism Act 2011 and its implementation.

Members of the committee were unsure to what extent the provisions for community rights within the Localism Act would be taken up or would have a discernable impact (i.e. appetite in local communities to take up community right to challenge and community right to bid).

The Committee expressed some concern regarding the level of future funding it will be possible to raise through the Community Infrastructure Levy. It was another issue where Members felt relationships between the County Council and District Councils would be crucial going forward.

53/12 UPDATE ON THE LOCAL GOVERNMENT RESOURCE REVIEW & CHANGES TO LOCAL GOVERNMENT FINANCE

(Agenda No. 8)

SYP3

Lorna Baxter (Deputy Chief Finance Officer) gave a presentation on what is currently known about the future funding environment for local government; focusing particularly on council tax benefit and the localisation of business rates.

The 10% saving required nationally through the new council tax benefit scheme, (to be known as a discount in future) will create a funding shortfall for the county council of £2m next year.

The new council tax discount scheme must be agreed by 31 January 2013. The county's districts decide the final scheme, which must not disadvantage the elderly or the vulnerable.

It is possible that districts could change the way in which discounts are given to address some of the funding shortfall, however this level of detail is still to be decided. Districts currently plan to consult on maintaining the existing scheme but changes may be made in future.

Councillor Turner asked how changes to council tax benefit will impact on districts. Lorna Baxter explained that there will be significant impacts, this is something the district councils are working with parishes on.

Councillor Greene asked whether increases in the tax base in future might offset some of the potential losses. Lorna Baxter explained that increases in the tax base had already been built into the medium term financial plan and therefore there would be no positive impact.

Business rates retention

The Government have issued a consultation which proposes 50% of business rates raised locally are retained by the local area and 50% given to central government. This plus some revenue support grant will be how local government is funded from 2013 onwards. Revenue support grant is due to reduce over time so that eventually none is received.

80% of the business rates retained locally will go to district councils with 20% given to the County Council plus some top up funding. As changes to the tax base are difficult to predict it will be important for the council to maintain contingency funding to help manage variations in business rates.

The Committee were informed that a Member Briefing is being held on 19 September to ensure all Members are aware of the new system and its implications.

It was **AGREED** that it would be helpful for the committee to return to financial interdependencies and the new finance system in future.

54/12 FINANCIAL MONITORING REPORT - REVENUE & CAPITAL OUTTURN OVERVIEW

(Agenda No. 9)

Councillor Hudspeth presented the financial monitoring report on Councillor Mallon's behalf and invited questions.

Councillor Turner raised a query in relation to underspend figures and asked whether there were plans to change the £119m programme of savings previously agreed?

Councillor Hudspeth confirmed there were no plans to change the savings programme. Sue Scane explained that the majority of underspends were requested as carried forwards due to project timescales etc changing, and will be spent on the intended purpose.

Councillor Turner also asked what was the council's long term financial commitment to Academies.

Sue Scane explained that Academies will be independent in terms of management but Oxfordshire County Council will still have responsibility for the provision of basic needs accommodation for any growth in schools. This will require close partnership working with Academies to manage growth.

Councillor Sanders and Councillor Lorraine Lindsay-Gale queried why there had been large increases in reserves and school balances and when these were due to be spent.

Sue Scane explained that growth in school and Oxfordshire County Council reserves were likely to grow due to increased financial uncertainties as covered earlier in the meeting. Many schools also hold reserves to pay for planned capital expenditure over the longer term.

Councillor Hudspeth explained that the council was in good shape financially and paid credit to the efforts of the Chief Finance Officer and her team.

55/12 FORWARD PLAN

(Agenda No. 10)

No specific items from the Forward Plan were raised by the committee for consideration. Councillor Brighthouse flagged that it is important that the Oxford University Hospitals Trust application for foundation trust status should be scrutinised, particularly in terms of the ongoing relationship between this organisation and the Council.

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This will be passed on to the Oxfordshire Joint Health Overview and Scrutiny Committee.

It was also suggested that the attention of the Growth & Infrastructure Scrutiny Committee was drawn to the van and trailer permit scheme decision due in September.

56/12 CLOSE OF MEETING
(Agenda No. 11)

Meeting closed at 12.10

..... in the Chair

Date of signing