

Minutes of the **Overview and Scrutiny Committee**
of the **Test Valley Borough Council**
held in Conference Room 1, Beech Hurst, Andover
on Wednesday 25 October 2017 at 5.30 pm

Attendance:

Councillor C Lynn	(P)	Councillor I Jeffrey	(-)
(Chairman)		(Vice Chairman)	
Councillor D Baverstock	(A)	Councillor P Hurst	(P)
Councillor P Boulton	(P)	Councillor J Lovell	(P)
Councillor J Cockaday	(P)	Councillor P Mutton	(P)
Councillor C Dowden	(P)	Councillor J Neal	(P)
Councillor B Few Brown	(P)	Councillor B Page	(P)
Councillor A Finlay	(P)	Councillor T Preston	(A)
Councillor K Hamilton	(P)	Councillor I Richards	(A)
Councillor I Hibberd	(P)	Councillor C Thom	(P)

Also in attendance:

Councillor S Hawke
Councillor G Stallard

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Minutes

Resolved:

That the minutes of the meeting held on 20 September 2017 be confirmed and signed as a correct record.

171 **Implementation of the Community Infrastructure Levy (CIL) and how it is working**

Consideration was given to a report which regarding the implementation of the Community Infrastructure (CIL). The report set out the operation and outcomes of the first year of CIL charging and covered a 12 month review of CIL, upcoming payments, approach to spending and internal audit of the CIL process.

The Council's CIL Charging Schedule came into effect on the 1 August 2016 and the adoption of the Charging Schedule allowed the Council to charge CIL on proposed development in line with the CIL Regulations 2010 (As amended). Test Valley Borough Council's adopted CIL Charging Schedule was limited to Residential and Large Scale Retail development only.

The Council had identified zones with different charging rates of CIL for residential development based on economic viability evidence. Strategic Sites allocated in the Local Plan were nil rated as infrastructure would be provided via Section 106 payments.

Payments totalling £308,334.59 had been received between 1 August 2016 and 9 October 2017 and future payments of £361,996.25 had been secured.

The Council's CIL Charging Schedule had been working well since its introduction and a Spending Protocol to create a process by which the Council could assess bids for CIL funding was presented to Cabinet on 18 October 2017. The first Annual CIL Monitoring Report would be produced this year and it was proposed that this would be placed within the existing authority's Monitoring Report published at the end of each calendar year.

The audit team had conducted an internal review of the CIL processes in April 2017 and two control weaknesses had been identified which would be addressed.

The CIL Officer and the Head of Planning and Building took questions from Members and explained that funding is dispersed to Parish Councils every six months and they are advised through Regulations what the funding can be spent on. CIL provided a clear understanding for developers of what payment they had to pay whereas S106 contributions would depend on negotiations. CIL

Resolved:

That the progress of the Community Infrastructure Levy be endorsed.

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Sustainability Framework

Consideration was given to a report which provided an overview of the process of preparing a new sustainability framework which will replace the 2012 Sustainability Strategy.

The Council's current Sustainability Strategy was approved by Cabinet in March 2012 and covers the period up to 2017. Progress was made in achieving a number of the action points, although in some cases events have overtaken the actions, additional information indicated they were no longer appropriate or the availability of data has meant that actions could not be delivered.

Given the end date of the Sustainability Strategy, a Corporate Action Plan project was identified to review and update this document. This linked primarily with the 'Enjoy' priority within the Corporate Plan. An officer working group had sought to undertake this review, with input from others including senior officers.

As part of the review of the remit of a new document, it was considered that rather than preparing a replacement strategy, a more effective way forward may be to prepare framework document. This would be used as a consideration in how we deliver services (along with other factors). The focus of the framework would be a series of objectives providing direction on how we incorporate environmental sustainability matters in our operations. This approach would aim to avoid duplication with proposals and actions which were likely to be more appropriately identified and delivered through Service Plans and specialist strategies / projects / programmes.

The Environmental Portfolio Holder, Councillor Stallard welcomed comments on the report and ideas for the future. Members suggested that officers review the 'did you know' boxes. They felt that these were very informative but could be set out in a more appropriate way.

Resolved:

That the proposed approach for a new sustainability framework be supported.

173 Communications and Procedure Panel Review

The Committee considered a report from the Communications and Procedure Panel, which had been chaired by Cllr Cockaday. The Panel's work focused on what lessons could be learnt about the way the Council communicated about procurement exercises and large projects, arising from the experiences of the recent award of the Leisure Management Contract. The Panel's recommendations were based on its findings in respect of both internal and external communications.

The Panel had quickly come to the conclusion that the Council had taken the right decision to pursue a Design, Build, Operate and Manage form of contract as the expected savings and improved facilities would not have been delivered through a traditional form of contract and procurement route. It was also clear that this was an extremely complex process governed by a structured framework. It had been well managed by the Portfolio Holder and officers.

Cllr Cockaday indicated that two pieces of external information had helped validate the Panel's findings – namely the external Auditors view of the process and the Ombudsman's investigation into the process of choosing to replace the Andover Leisure Centre on the existing site. The Auditors findings were very complimentary and were attached as an Appendix to the report. The Ombudsman in respect of public consultation had said that *"due to the nature of the contract process the Council could not carry out public consultation into the exact details of the contract. It followed a proper process in awarding the contract and is not at fault."*

Recommended to Cabinet:

- 1. Sport England be asked to consider adding to its toolkit to include advice on how and when to involve the public in consultation processes where a Design, Build, Operate and Manage solution is being pursued.**
- 2. More effort should be made in future, in situations similar to the renewal of the Leisure Contract, to undertake a high profile public consultation on the broad specifications, including expected outcomes, to be given to the bidders prior to entering the competitive bidding phase.**

3. **That in future procurement exercises and large projects, using broad specifications such as expected outcomes, and where a degree of commercial confidentiality will be required, the Council should actively explain to the public at the onset of the process the reasons for this confidentiality and what benefits the Council intends to gain for the community. It should also explain why details of the proposed solution, such as the design of new buildings, may not be the subject of traditional public consultation at least until, in the case of new buildings, the relevant planning application is submitted.**
4. **Topic specific bulletins and all Councillor briefings should be made more use of in future for complex procurement exercises and large projects.**
5. **The Cabinet agenda report should be included as an annex in Full Council Agenda, when it is required to provide detailed information to support a recommendation.**
6. **The induction for new Members, to include update briefing on any major projects that are in process.**

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Audit Panel Membership

Consideration was given to the appointment of two additional members to the Audit Panel.

Resolved:

That Councillor Mutton and Councillor Thom be appointed to the Audit Panel.

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Internal Audit Annual Report 2016-17

Consideration was given to a report which provides an overview of the internal audit work covering the financial year 2016-17.

The overall opinion of the Internal Audit Partnership Manager is that a substantial level of assurance can be given that there is a generally sound system of internal control, designed to meet the Council's objectives, and that controls are being applied consistently.

14 actions arising from the 2016-17 audit reviews remained in progress or had slipped. All those actions that were in progress and slipped/pending would be followed up during the year by the Performance Boards and by Internal Audit to ensure that control weaknesses were properly addressed.

The review of the effectiveness of Internal Audit had shown that this is substantial compliance with the Standards detailed in the Public Sector Internal Audit Standards 2013.

Resolved:

That the work performed by the internal audit team over the previous year (April 2016 – March 2017, be endorsed.

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Proposed Fees and Charges 2018/19

Consideration was given to a report which considered the Budget Panel's recommendation on the proposed Fees and Charges for 2018/19. In reviewing the Council's Revenue Outturn for 2016/17, the Panel noted the reasons for budget variances totalling £564,000 and were satisfied that these had been taken into account in preparing the budget for 2017/18 and the medium term financial forecasts to 2019/20.

The provisional budget position for 2018/19 was noted and the Panel discussed the various efficiency savings options and income generation proposals to close the budget gap. The Panel noted that the Asset Management Plan was significantly underfunded and suggested that remedial action was taken during the year to assess the impact for future years (beyond 2018/19). Generally the Panel considered the assumptions and options being put forward to Cabinet on 15/11/17 were reasonable, but noted that there was still work to do to achieve a balanced budget for 2018/19. Some members raised concerns about the impact of Hampshire County Council's budget transformation plans for 2017-2020 on service delivery in Test Valley and it would be important to thoroughly review this before setting a budget for next year.

Fees and charges were reported annually to Members as part of the budget process. The Panel had an important role in reviewing proposals before they were approved at Cabinet. As Cabinet met on 18th October (a week before this committee meeting), the Panel's recommendations were included in the Finance Portfolio Holder's presentation to Cabinet.

In reviewing the proposed fees and charges, the Panel were pleased to see that more attention was being paid to assessing the cost of services in setting the fees. However, Members expressed a concern over the significant increase in Temporary Road Closure fees to cover costs. They felt that the proposed 380% increase was unacceptable especially as this would impact on non-commercial organisations that were running community events. For this reason, it was suggested that this fee be frozen for 2018/19. All other charges were accepted as reasonable.

Resolved:

- 1. That the Temporary Road Closure fees for 2018/19 be frozen at £25 to avoid adversely impacting non-commercial organisations running community events.**
- 2. That all other proposed Fees and Charges for 2018/19 be noted and endorsed.**

177 **Programme of Work for the Overview & Scrutiny Committee**

The Committee considered and updated the Work Programme as follows:

- Waste Strategy – move from 22 November to 20 December 2017
- Budget Panel Report Draft Budget – delete from 22 November as this was covered under the Proposed Fees and Charges 2018/19 report considered at this meeting.
- Set up a Budget Panel to review the Medium Term Financial Strategy and Update during the week commencing 8 January 2018 to allow time to report back to OSCOM on 22 January 2018.

The Chairman informed the Committee that following the Away Day discussions had been set up with Officers to discuss various topics. A discussion had been held on Elections and a Briefing Note had been circulated. A discussion had been held with officers on disability groups views about accessibility within the Borough and the Committee were in agreement that workshops be set up to discuss the challenges facing disabled residents in the Borough.

Resolved:

That the future work programme, as amended, be approved.

(The meeting terminated at 7.15pm)