

Agenda

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Date: 6 September 2019

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Listening Learning Leading

A MEETING OF THE

Scrutiny Committee

WILL BE HELD ON TUESDAY 17 SEPTEMBER 2019 AT 6.30 PM

MEETING ROOM 1, 135 EASTERN AVENUE, MILTON PARK, MILTON, OX14 4SB

Members of the Committee:

Ian White (Chairman)

Mocky Khan (Vice-Chair)

Anna Badcock

Sam Casey-Rerhaye

Stefan Gawrysiak

Simon Hewerdine

Alexandrine Kantor

George Levy

Anne-Marie Simpson

Substitutes

Ken Arlett

David Bretherton

Peter Dragonetti

Victoria Haval

Lorraine Hillier

Kellie Hinton

Axel Macdonald

Jo Robb

Ian Snowdon

Alan Thompson

Celia Wilson

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1 Apologies for absence

To record apologies for absence and the attendance of substitute members.

2 Minutes (Pages 3 - 11)

To adopt and sign as a correct record the committee minutes of the meetings held on 19 June and 2 July 2019 (attached).

3 Declarations of interest

To receive any declarations of disclosable pecuniary interests in respect of items on the agenda for this meeting.

4 Urgent business and chairman's announcements

To receive notification of any matters which the chairman determines should be considered as urgent business and the special circumstances which have made the matters urgent, and to receive any announcements from the chairman.

5 Public participation

To receive any questions or statements from members of the public that have registered to speak.

REPORTS AND ISSUES FOR THE CONSIDERATION OF THE SCRUTINY COMMITTEE

6 Financial outturn 2018/19 (Pages 12 - 24)

To consider the report of the head of finance (attached).

7 Work schedule and dates for all South and Vale scrutiny meetings (Pages 25 - 29)

To review the attached scrutiny work schedule. Please note, although the dates are confirmed, the items under consideration are subject to being withdrawn, added to or rearranged without further notice.

MARGARET REED

Head of Legal and Democratic

Minutes

OF A MEETING OF THE



Listening Learning Leading

Scrutiny Committee

HELD ON WEDNESDAY 19 JUNE 2019 AT 6.30 PM

THE FOUNTAIN CONFERENCE CENTRE, HOWBERY PARK, CROWMARSH
GIFFORD

Present:

Ian White (Chairman)

Mocky Khan, Anna Badcock, Sam Casey-Rerhaye, Simon Hewerdine, Alexandrine Kantor, George Levy, Anne-Marie Simpson and Ken Arlett (as substitute for Stefan Gawrysiak)

Apologies:

Stefan Gawrysiak tendered apologies.

Officers:

Emma Baker, Andrew Down, Holly Jones, Tom Rice and Ron Schrieber

Also present:

Councillors Robin Bennett and Leigh Rawlins. Jason Sherwood, Oxfordshire County Council.

1 Minutes

The minutes of the meeting held on 22 January 2019 were agreed as a correct record and were signed by the Chairman.

2 Declarations of interest

Councillor Kantor declared an interest in agenda item 6, South Oxfordshire Emerging Plan, as she was employed at Culham Science Centre and stated that she would be stepping down from the Committee during any discussion regarding the Culham strategic site.

3 Urgent business and chairman's announcements

The Chairman welcomed members to the first Scrutiny Committee meeting of the new Council.

He reported that the scrutiny function was one of the key checks and balances to the council decision making process, acting as a “critical friend” to the Executive.

He also clarified the respective roles of scrutiny and audit and governance. Scrutiny contributed towards the development of policies and strategy. It could challenge decisions made by the executive and had a role in scrutinising delivery and performance. Whereas audit and governance committee needed to satisfy itself that an adequate control environment was in place and, therefore, contributed towards the assessment of control processes and reviewed the operation of controls and procedural compliance.

4 Public participation

Caroline Baird and Gill Bindoff had registered to speak on agenda item 6, South Oxfordshire Emerging Local Plan 2034 (see Minute 5, below).

5 South Oxfordshire Emerging Local Plan

The committee considered the head of planning’s report which provided an update on the emerging South Oxfordshire Local Plan 2034 and detailed the implications of the options that officers believed were currently open to the Council. These were:

Option 1: Allow the emerging Local Plan to continue through its examination.

Option 2: Allow the emerging Local Plan to continue through its examination but proactively recommend a series of main modifications to the plan.

Option 3: Withdraw the Local Plan from examination. The Council would then make changes to the plan and then conduct a further Regulation 19 consultation.

Option 4: Withdraw the Local Plan from examination and restart the plan making process.

Under each of these options, the report addressed the following themes:

- Spatial strategy
- Housing need, requirement and supply
- Housing site allocations
- Environmental policies
- Other policies

and sought to identify the main benefits and risks associated with each option as well as the timescales for progressing them. Accordingly, officers recommended that the most appropriate way forward was to progress Option 1.

Holly Jones, planning policy manager, and Emma Baker, planning policy team leader, introduced the report and gave a brief presentation which summarised the risks and benefits of each option and their possible implications for the Housing Infrastructure Fund (HIF) bids, the Growth Deal, the 5-year housing land supply, together with their estimated costs. Also present to answer questions were Leigh Rawlins, Cabinet member for planning, Tom Rice, principal planning policy officer, and Jason Sherwood, growth manager, Oxfordshire County Council.

Gill Bindoff addressed the committee. She requested that the Local Plan give a higher priority to tackling climate change by reducing greenhouse gas emissions and requiring carbon neutral buildings and schemes to provide low carbon renewable energy.

Caroline Baird, on behalf of Save Culham Green Belt, addressed the committee. She stated that the current plan was unsound and was in conflict with the National Planning Policy Framework (NPPF), and urged the committee to recommend Option 4.

Councillor Robin Bennett read out a statement from Councillor Sue Cooper, Leader of the Council, to Parish Councils which set out the council's housing land supply projections for 2019/20 against the council's housing need with a local plan in place and against the housing targets in the Local Plan.

In response to members' questions, it was reported that:

- If HIF were to be lost, it would result in a large funding shortfall for a number of major infrastructure projects.
- Were the current Local Plan to be withdrawn, developers might seek to challenge individual Neighbourhood Plans.
- The council currently benefited from a 3-year housing land supply under the Growth Deal.
- The emerging Local Plan made a commitment to accommodate 4,950 homes of unmet housing need from Oxford City Council. It was not yet known when the Planning Inspectors would complete their examination of Oxford City's housing need and capacity so it was possible that the numbers might change.
- The adopted Core Strategy was now more than five years old and the NPPF required Local Plans to be reviewed every five years to ensure strategic policies remained up to date.
- The Strategic Housing Market Assessment (SHMA) was published in 2014 and there was a risk that the SHMA would be considered to be out of date as time passed.
- There was a risk that the Growth Deal for all the Oxfordshire authorities could be withdrawn if the Council decided to either significantly delay or restart its Plan making process. In turn, this presented a risk to the Council's relationships with the other Oxfordshire councils and with the Government. It was essential, therefore, to maintain a dialogue with our Growth Deal partners and with the Government.
- Withdrawing the Local Plan would give the Council the opportunity to revisit its environmental and other policies. However, any new or amended policies would need to be evidence based and supported by feasibility and impact assessments which would take time to produce.
- Whilst officers believed that the emerging Local Plan was legally compliant and was the least likely of the four options to result in a successful legal challenge, there was no guarantee that the Plan's adoption would not be subjected to legal challenge.
- The report had sought to assess the risks and benefits of each option, as far as possible. However, there were many unknown factors e.g. the Planning Inspectors' assessment of Oxford City's unmet housing need and the Government's response to any significant delay in the Councils' Local Plan making process, so it was difficult to quantify these risks.

Following further discussion, a motion was moved and seconded, to recommend to Cabinet that Option 1, as set out in the report, be progressed.

On being put to the vote, the motion was lost.

A motion was moved and seconded, that, in view of the late publication of the report and the limited time available to consider it, and the changing nature of evidence, further consideration of the report be deferred to a future meeting to which the following additional information be submitted:

- a detailed assessment of the level of risks relating to each option; and
- further clarification of the 3-year/5-year housing land supply.

On being put to the vote, the motion was carried.

A further motion was moved and seconded, that the future meeting also receive the latest traffic modelling information from Oxfordshire County Council relating to the strategic sites in the emerging Local Plan 2034.

On being put to the vote, the motion was carried.

RESOLVED: That, in view of the late publication of the report and the limited time available to consider it, and the changing nature of the evidence, further consideration of the report be deferred to a future meeting to which the following additional information be submitted:

- a detailed assessment of the level of risks relating to each option; and
- further clarification of the 3-year/5-year housing land supply.
- the latest traffic modelling information from Oxfordshire County Council relating to the strategic sites in the emerging Local Plan 2034.

The meeting closed at 8.45 pm

Chairman

Date

Minutes

OF A MEETING OF THE

Scrutiny Committee

HELD ON TUESDAY 2 JULY 2019 AT 6.30 PM

MEETING ROOM 1, 135 EASTERN AVENUE, MILTON PARK, MILTON, OX14 4SB

Present:

Ian White (Chairman)

Mocky Khan, Anna Badcock, Sam Casey-Rerhaye, Stefan Gawrysiak, Simon Hewerdine, Alexandrine Kantor, George Levy and Anne-Marie Simpson

Officers:

Emma Baker, Andrew Down, Adrian Duffield, Holly Jones and Ron Schrieber

Also present:

Councillor Leigh Rawlins. Sue Halliwell, Oxfordshire County Council.

6 Declarations of interest

Councillor Kantor declared an interest in agenda item 5, South Oxfordshire Emerging Plan, as she was employed at Culham Science Centre and stated that she would be stepping down from the Committee during any discussion regarding the Culham strategic site.

7 Urgent business and chairman's announcements

The chairman reported that the scrutiny function was one of the key checks and balances to the council decision making process, acting as a “critical friend” to the executive.

He also clarified the respective roles of scrutiny and audit and governance. Scrutiny contributed towards the development of policies and strategy. It could challenge decisions made by the executive and had a role in scrutinising delivery and performance. Whereas audit and governance committee needed to satisfy itself that an adequate control environment was in place and, therefore, contributed towards the assessment of control processes and reviewed the operation of controls and procedural compliance.



Listening Learning Leading

8 Public participation

Caroline Baird, Dr Caroline Livingstone, Michael Tyce and Neville Harris had registered to speak on agenda item 5, South Oxfordshire Emerging Local Plan 2034 (see Minute 9 below).

9 South Oxfordshire Emerging Local Plan

Further to minute 6 of the meeting held on 19 June 2019, the committee gave further consideration to the head of planning's report which provided an update on the emerging South Oxfordshire Local Plan 2034 and detailed the implications of the options that officers believed were currently open to the council. These were:

Option 1: Allow the emerging Local Plan to continue through its examination.

Option 2: Allow the emerging Local Plan to continue through its examination but proactively recommend a series of main modifications to the plan.

Option 3: Withdraw the Local Plan from examination. The Council would then make changes to the plan and then conduct a further Regulation 19 consultation.

Option 4: Withdraw the Local Plan from examination and restart the plan making process.

As requested by the committee, the following additional information had been circulated:

- The evaluation of transport impacts, together with a transport topic paper
- A red, amber, green (RAG) risk assessment; and
- A housing land supply update

Caroline Baird, on behalf of Save Culham Green Belt, addressed the committee. She stated that the current plan was unsound with six of the strategic sites within the Green Belt which contradicted the aims of the Local Plan. She expressed the view that the proposed Culham site was unsustainable and urged the committee to recommend Option 4.

Dr Caroline Livingstone, representing UKAEA, addressed the committee. She stated that Culham was growing and that UKAEA was experiencing unprecedented expansion. She urged the committee to support the current emerging Local Plan and Option 1.

Michael Tyce, representing the Campaign to Protect Rural England, addressed the committee. He stated that the emerging Local Plan made provision for approximately 28,000 houses by 2034, a number which greatly exceeded the number of houses actually required. He expressed the view that the aim of the emerging Local Plan was not to meet housing need but was a bid to qualify for Growth Deal funding. He urged the committee to recommend Option 4.

Neville Harris, a Didcot Town and Oxfordshire County Councillor, addressed the committee. He stated that the Local Plan should prioritise combating global warming and that an eco town was needed. He urged the committee to recommend Option 4.

Holly Jones, planning policy manager, and Emma Baker, planning policy team leader, gave a brief presentation on the housing land supply. They reported that the key difference in the update note to the previously circulated information was that the future housing land supply position now took account of housing delivery where it was projected to be above the requirement. Undersupply was factored in where it exists. Officers advised that there was no clarity in the planning practice guidance on how to treat 'oversupply'.

Also present to answer questions were Leigh Rawlins, Cabinet member for planning, Adrian Duffield, head of planning, and Sue Halliwell, director for planning and place, Oxfordshire County Council.

In response to members' questions, it was reported that:

- Officers had written to the two Planning Inspectors regarding the likely timetable for the examination of Oxford City Council's housing need and the correspondence was included in the agenda papers for the Cabinet meeting on 10 July. A reply had not yet been received.
- Officers were not aware of any other local authority which used precisely the same method for calculating its housing land supply, though supply above the minimum was taken into account by some authorities. This approach would likely be challenged - as indeed housing land supply is challenged in a number of aspects.
- Sue Halliwell, representing Oxfordshire County Council, reported that if South Oxfordshire pursued Options 2, 3 or 4, the uncertainty created would jeopardise the Housing Infrastructure Fund (HIF) bid.
- Traffic modelling is approached through understanding of the existing highway network capacity - essentially a "do minimum" basis. This 'do minimum' approach had taken into account all the committed growth, including those strategic sites allocated in the adopted Core Strategy. This provides a position from which the different Local Plan scenarios were measured against. This helps to understand the impact on loading development and resultant trips onto the highway network. Then the transport modelling work tests a number of mitigation packages to determine what transport interventions will address the transport impacts created where these reach unacceptable levels.
- The time required to redraft the Local Plan, should Options 3 or 4 be pursued, would depend on the extent of changes made. Likely timetables for each Option were set out in the report but these were estimates based on the best information currently available.
- Modifications to the emerging Local Plan could be made throughout the examination process, but unless the Inspectors considered there to be a 'soundness' issue in relation to that particular aspect of the plan these would not likely be taken into account.
- It was likely that Oxfordshire councils might object, should Options 2, 3 or 4 be pursued as Option 1 has been supported in the latest consultation and has resulted in a countywide Statement of Common Ground which had been signed by all districts. Most of the Oxfordshire councils had objected to earlier versions of the Local Plan.

Following further discussion, a motion, moved and seconded, to go into confidential session to consider documents providing legal advice to the Council, was declared carried, on being put to the vote (see Minutes 10 and 11 below).

Following the confidential discussion, a motion, moved and seconded, to note the updated position in relation to the emerging South Oxfordshire Local Plan 2034, was declared carried, on being put to the vote.

The following motion was then moved and seconded.

A flurry of information has been presented to this committee in the run up to its second meeting to consider the Local Plan Review, some this day. We have also been presented with a number of reports from officers and representations from external parties. In light of these and other factors, this committee resolves to compile its own summary report, drawing upon information admissible under this council's constitution, that it finds relevant to the Local Plan Review, for presentation to Council. The report to be compiled in collaboration and a majority of Scrutiny members required to sign it off before publication. Some parts may remain confidential.

On being put to the vote, there was an equality of votes. The chairman exercised his casting vote against the motion, which was lost.

A motion was moved and seconded, to recommend to Cabinet that Option 1, as set out in the report, be progressed.

On being put to the vote, the motion was lost.

A motion was moved and seconded, to recommend to Cabinet that Option 3, as set out in the report, be progressed.

On being put to the vote, the motion was carried.

RESOLVED: to

1. note the updated position in relation to the emerging South Oxfordshire Local Plan 2034, and
2. **RECOMMEND** to Cabinet that Option 3, as detailed in the report, be progressed.

[Just before the meeting guillotine of 9:00pm, committee members took a vote to continue for a further period not exceeding 30 minutes, in accordance with the council's Constitution.]

10 Exclusion of the public

RESOLVED: to exclude members of the press and public from the meeting for the following items of business under Part 1 of Schedule 12A Section 100A(4) of the Local Government Act 1972 and as amended by the Local Government (Access to Information) (Variation) Order 2006 on the grounds that:

- i. it involves the likely disclosure of exempt information as defined in paragraph 5 of Part 1 of Schedule 12A of the Act, and
- ii. the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

11 South Oxfordshire Local Plan - Legal Advice

The committee considered documents providing legal advice to the Council regarding the Local Plan.

Following discussion, a motion was moved and seconded

1. To recommend to Council that time is set aside at its meeting on 18 July for a confidential session to consider the legal advice on the Emerging Local Plan 2034
2. That the legal advice be included in the Council agenda pack.

On being put to the vote, the motion was carried.

RESOLVED:

1. To **RECOMMEND** to Council that time is set aside at its meeting on 18 July for a confidential session to consider the legal advice on the Emerging Local Plan 2034
2. That the legal advice be included in the Council agenda pack.

The meeting closed at 9.25 pm

Chairman

Date

Scrutiny Committee



Report of Head of Finance

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To: SCRUTINY COMMITTEE

DATE: 17 September 2019

Financial outturn 2018/19

Recommendation

Scrutiny committee is recommended to note the overall outturn position of the council as well as the outturn of individual service areas.

Note: If committee members wish to raise specific questions, please send these in advance to either the committee clerk or the Senior Finance Business Partner (richard.spraggett@southandvale.gov.uk). Please be aware that if questions are not submitted in advance, it may not be possible to answer these in detail at the meeting. In addition, if committee members wish specific heads of service to attend the meeting this should also be raised in advance.

Purpose of Report

1. To report the final year end position for revenue and capital expenditure against budget for the financial year 2018/19.

Strategic Objectives

2. The allocation of financial resources within the revenue and capital budgets needs to match the objectives agreed by the council. The outturn report shows how these resources have been used in year.

Background

3. The attached papers contain summarised schedules of revenue and capital expenditure for 2018/19; they also present an explanation of the significant variances against budget. This is presented by service. All the figures in this report are pre-Audit and may be subject to some change following the conclusion of the audit of the Statement of Accounts.

Revenue outturn 2018/19

4. In February 2018 the council approved a net expenditure budget of £16.9 million. By year end this had increased to £21.5 million as a result of budget carry forwards and additions funded by grant payments. The net expenditure at year end was £17.2 million – this equates to a variation of £4.3 million, which has been transferred to the council's reserves. This is shown in table 1 below.

Table 1: summary of revenue budgets and variances

Summary of revenue budgets and variance	Budget £000	Actual £000	Variance £000	Notes
Community Services	1,801	1,464	(337)	
Strategic Management Board	641	418	(223)	
Corporate Services	2,759	2,537	(222)	
Development & Regeneration	2,962	664	(2,298)	
Finance	(1,054)	(152)	902	a
Housing & Environment	5,857	4,553	(1,304)	
Legal & Democratic	1,006	1,103	97	
Partnership & Insight	4,988	4,837	(151)	
Planning	2,230	1,811	(419)	
Contingency	315	0	(315)	
Service Expenditure	21,507	17,235	(4,270)	
Investment Income	(2,940)	(2,643)	297	b
Net Expenditure	18,567	14,592	(3,973)	

Notes:

- a. Finance line contains housing benefits and rent allowances funded by government grant as shown in table 2 below.
- b. The council's treasury management outturn report will be considered by joint Audit and Governance Committee, Cabinet and Council

Table 2: housing benefits and rent allowances

	Budget £000	Actual £000	Variance £000
Rent allowance payments	27,264	25,455	(1,809)
Government subsidy income	(26,201)	(24,196)	2,005
Rent allowance overpayments	(1,555)	(1,289)	266
Net Position	(492)	(30)	462

5. Appendix 1 analyses income and expenditure across service areas. This appendix shows that the expenditure budget was £60.5 million compared to an actual spend of £54.9 million. This results in an underspend of £5.6 million, around 9.2 per cent of total expenditure. The income budget was £39.0 million compared to actual income of £37.7 million giving an under achievement in income of £1.3 million or around 3.3 per cent.
6. Appendix 2 compares the outturn position with most recent forecasts.
7. Table 3 below provides a further breakdown of the revenue outturn position.

Table 3: variations between budgeted and actual revenue income and expenditure

Service Team	Total Variance £000	Income Variance		Expenditure Variance				Under-spend c/fwd to 2019/20 £000
		Grants and Contributions £000	Other Income £000	Employee Costs £000	Supplies and Services £000	Third Party Payments £000	Other Gross Expenditure £000	
Community Services	(337)	(79)	56	(59)	(279)		24	320
Corporate Management	(223)			(332)	113		(4)	
Corporate Services	(222)	28	(48)	54	(249)		(7)	39
Development & Regeneration	(2,298)	31	(155)	(13)	(2,004)	48	(205)	2,066
Finance	902	2,134	(4)	258	211	112	(1,809)	
Housing & Environment	(1,304)	(350)	(275)	(376)	(361)	17	41	334
Legal & Democratic	97	1	(97)	(20)	201	14	(2)	32
Partnership & Insight	(151)	(2)	0	55	(949)	740	5	803
Planning	(419)	(73)	133	(40)	(440)	0	1	606
Contingency	(315)	0	0	7	(322)	0	0	
Direct Service Expenditure	(4,270)	1,690	(390)	(466)	(4,079)	931	(1,956)	4,200
Investment Income	297		297					
Net Expenditure	(3,973)	1,690	(93)	(466)	(4,079)	931	(1,956)	4,200
Working Budget	18,567	(33,434)	(12,882)	13,825	10,262	11,623	29,173	
Percentage	-21.4%	-5.1%	0.7%	-3.4%	-39.7%	8.0%	-6.7%	

Budgets carried forward to 2019/20

8. As shown in table 3, of the £4.3 million variation to budget, £4.2 million represents slippage in one-off budgets that have been agreed as budget carry forwards to 2019/20. These carry forwards are shown in Appendix 3. They include £2.9 million of carry forwards in Development and Regeneration and Partnership and Insight for development activity in respect of Didcot and Berinsfield, and over £0.6 million in Planning for progression of the Local Plan and Neighbourhood Plans.
9. The budget carry forwards from 2017/18 included £3.7 million relating to the development of Didcot and Berinsfield and £0.5 million for the local plan. £3.3 million of these 2017/18 budgets have been carried forward for a second year into 2019/20.
10. Excluding the carry forwards, direct service expenditure was less than £0.1 million below budget. Within that small overall net variance, the outturn position has been analysed to identify explanations for the significant variations from budget. Key reasons for variances are outlined below, categorised between income and expenditure variances and with an indicator showing the service team area as referred to in Table 3 above.

Income Variances

11. Significant income variances include:

Increased income against budget:

- Unbudgeted additional grants for Flexible Support and Preventing Homelessness totalling £262,000 were received in the year (Housing & Environment).
- Other unbudgeted grants receipts included £22,000 for Local authority parks improvement and £25,000 for street cleaning. (Housing & Environment).
- Rental income was £150,000 above budget. When the budget was set there was some uncertainty whether the Orchard centre phase 2 income would come on line, consequently this was not budgeted to start in 2018/19. (Development & Regeneration).
- Car park income was £145,000 higher than budget, although half this saving has been offset by additional expenditure. (Housing & Environment)
- Other over budget fees and charges achieved in Housing & Environment include mobile home park service income (£35,000) and garden waste income £33,000.
- Income in Electoral Services was £60,000 higher than budget but these receipts were offset by additional expenditure (Legal & Democratic).

Reduced income against budget:

- Development Services fee income (planning fees) and Building Control fees were £96,000 and £35,000 respectively less than expected due to market slowdown (Planning)

Expenditure Variances

12. Significant expenditure income variances include the following. A number of these areas are the subject of the carry forward requests referred to later in this report.

Reduced expenditure against budget:

- Across all services, employee costs were £467,000 below budget. This underspend includes £340,000 that has been carried forward to 2019/20.
- There were budget savings across all IT cost centres, totalling £132,000. £36,000k of this budget has been removed as a saving for the 2019/20 budget. (Corporate Services)
- Housing needs expenditure had a significant underspend on the rent deposit scheme (£144,000) due to staff vacancies and over accruing at the end of 2017/18. A vacancy for a lettings assistant could not be filled by agency staff, this in turn meant fewer private tenancies were secured, which contributed to the underspend on the rent deposit scheme. There was also minimal spend on

Syrian vulnerable persons creating a £25,000 variance. (Housing & Environment)

Increased expenditure against budget:

- Elements of the contract with Capita were renegotiated during 2018/19. Forecast potential savings have been revised and the expenditure profile across the remaining years of the contract has been changed. Consequently, expenditure relating to this contract was £799,000 more than budget . This contrasts with 2017/18 when the expenditure was £535,000 below budget. (Partnership & Insight)

Comparison to previous year revenue outturn

13. A comparison of the 2017/18 revenue outturn to 2018/19 is shown in table 4 below.

Table 4: 2017/18 and 2018/19 revenue outturn

	2017/18 Total £000	2018/19 Total £000
Income	(1,367)	1,597
Expenditure	(5,262)	(5,570)
Net position before carried forward budgets	(6,629)	(3,973)
Carried forward budgets	4,563	4,200
Net position after carried forward budgets	(2,066)	227

14. Payments to Capita created the largest overspend (£799,000) in 2018/19. Housing benefit and rent allowance income is difficult to predict and created a net overspend of £436,000 in the year, having been close to budget in 2017/18.
15. Similar to 2017/18, expenditure underspends including carry forward requests are the most significant factor in 2018/19.

Capital

16. The original capital budget for 2018/19, including growth, was agreed in February 2018 at £11.7 million. Details of the changes to the capital programme in year are summarised in table 5 below:

Table 5: movement on capital programme

	2018/19 £000
Original capital budget	18,958
Roll forward from prior years	3,268
Schemes deleted	(3,179)
Additions in year (externally funded)	815
Additions in year (other)	1,064
Slippage to future years	(14,511)
Capital programme 31 March 2019	6,415
Made up of:	
Approved programme	4,695
Provisional programme	1,720
Capital programme 31 March 2019	6,415

17. Capital expenditure for 2018/19 was £2.0 million, a variance of £2.7 million against the approved programme for the year. Details of the variance of spend against the approved capital programme working budget is shown in appendix 4 to this report.
18. During the year, budget holders review their projects and identify those where delays mean that the current working budget will not be spent in year. The budget profile is then moved to reflect the new spend profile and budgets are slipped into future years if applicable. Slipped budgets remain committed for use in future years. During the year £14.5 million was slipped in this way. A list of these schemes is shown in appendix 5.

Capital receipts¹

19. Capital receipts in year amounted to £0.2 million. Repayments of Catalyst loans make up £130,000 of this total.

Implications for 2019/20 and future years

20. The 2018/19 revenue outturn position reflected that of 2017/18, with high levels of slippage on major one-off projects and correspondingly high levels of carry forwards.
21. The overspend on the Capita contract largely reflects a reprofiling of costs following renegotiation of both the contract and the Inter-Authority Agreement between the council partners. This was recognised in the budget published in February 2019 which also reflected lower savings than originally forecast from the contract.
22. A budget review and challenge was carried out by the finance department in December with the assistance of CIPFA. This highlighted savings which were applied to the 2019/20 budget. The 2018/19 year end outturn has demonstrated that further savings may be possible. The budget challenge exercise will resume

¹ Capital receipts exclude grants and contributions, they normally relate to disposal of assets.

as part of the 2020/21 budget setting and Heads of Service will be asked to justify the restatement of underspent budgets.

23. The capital programme has also been subject to significant slippage into future years, again in a similar pattern to previous years.

Financial, legal and any other implications

24. The financial implications are as set out in the body of the report. There are no other implications of this report

Conclusion

25. Following the trends of recent years, the council has underspent on both revenue and capital, and the nature and reasons for these variances are detailed within this report and the appendices.

Appendices

1. Revenue outturn – expenditure and income variance
2. Revenue outturn –major variances
3. Revenue carry forward 2018/19 requests
4. Capital outturn – summary and commentary
5. Capital outturn – slippage

Background Papers

- Draft Statement of Accounts 2018/19
- Budget Papers for 2018/19

South Oxfordshire DC variance by income and expenditure 2018/19

Service Team	Expenditure			Income			Total			Notes
	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000	Budget £000	Actual £000	Variance £000	
Community Services	3,019	2,705	(314)	(1,218)	(1,241)	(23)	1,801	1,464	(337)	
Strategic Management Board	671	448	(223)	(30)	(30)	0	641	418	(223)	
Corporate Services	2,804	2,602	(202)	(45)	(65)	(20)	2,759	2,537	(222)	
Development & Regeneration	5,121	2,947	(2,174)	(2,159)	(2,283)	(124)	2,962	664	(2,298)	
Finance	27,536	26,308	(1,228)	(28,590)	(26,460)	2,130	(1,054)	(152)	902	a
Housing & Environment	10,002	9,323	(679)	(4,145)	(4,770)	(625)	5,857	4,553	(1,304)	
Legal & Democratic	1,396	1,589	193	(390)	(486)	(96)	1,006	1,103	97	
Partnership & Insight	4,988	4,839	(149)	0	(2)	(2)	4,988	4,837	(151)	
Planning	4,684	4,205	(479)	(2,454)	(2,394)	60	2,230	1,811	(419)	
Contingency	315	0	(315)	0	0	0	315	0	(315)	
Service Expenditure	60,536	54,966	(5,570)	(39,031)	(37,731)	1,300	21,505	17,235	(4,270)	
Investment Income	0	0	0	(2,940)	(2,643)	297	(2,940)	(2,643)	297	b
Net Expenditure	60,536	54,966	(5,570)	(41,971)	(40,374)	1,597	18,565	14,592	(3,973)	

Appendix 2

South budget monitoring report as at 31 March 2018

	Working Budget £	Actual Spend £	Current variance	Forecast last Quarter £	Variance between outturn and last forecast £
Community Services	1,801	1,464	(337)	1,445	19
Corporate Management Team	641	418	(223)	641	(223)
Corporate Services	2,759	2,537	(222)	2,759	(222)
Development & Regeneration	2,962	664	(2,298)	3,159	(2,495)
Finance	(1,054)	(152)	902	(1,054)	902
Housing & Environment	5,857	4,553	(1,304)	5,377	(824)
Legal & Democratic	1,006	1,103	97	1,281	(178)
Partnership & Insight	4,988	4,837	(151)	3,220	1,617
Planning	2,230	1,811	(419)	2,460	(649)
Contingency	315	0	(315)	315	(315)
	21,505	17,235	(4,270)	19,603	(2,368)

SOUTH Revenue Carry Forwards for Revenue Expenditure 2018-19 - Requests				
Budget code	Carried Forward From 2017-18	New Carry Forward (Spend) 2018-19	Total Carried Forward	Reason carry forward needed
	£	£	£	
Community Services				
GR30 4700 GR30		17,416	17,416	The budget was for a one-year pilot project (a volunteering grant scheme), which got off the ground in August 2018 so has only been running for 8 months. We need to carry forward the funding for the remaining four months of the scheme (early August 2019, or sooner if the funds have been spent)
4700 GR30		52,075	52,075	AS per SMT decision on 3 April 2019 this amount needs carrying forward to 2019/20 to award in revenue grants across the district
4655 LE20 Berinsfield Co-Location	234,000	(15,597)	218,403	The original budget of £243,399, which was the subject of a growth bid, had limited expenditure during 2018/19 and the balance needs to be carried forwards to 2019/20. The underspend is due to the continued delay in Berinsfield co-location project delivery. In January 2019, Cabinet took a decision relating to the Berinsfield strategic review of progress to date and proposed way forward. This is a one-off revenue budget for the project and, therefore, there is no 2019/20 budget available to fund the project
SD03 4055 SD03 4703 SD06		12,342 20,000	12,342 20,000	Provision of goods and services to enable delivery of project in 2018/19. GO Active Gold
	234,000	86,236	320,236	
Corporate Services				
1001 CE40		39,000	39,000	IT Manager post not filled in 2018/19
		39,000	39,000	
Development and Regeneration				
AH02 4055 AH02	48,917	43,676	92,593	Development - Consultation Costs - Budget made up of growth bid for long term project (Oxfordshire Growth Board) Note: to be tfrd to PAIR in 19/20
4660 AH02	1,166,000	(299,583)	866,417	Didcot Gateway & town centre funding - Budget made up of grant funding for long term project
CA07 4400 CA07	374,902		374,902	Berinsfield Community Investment - Fees and Hired Services - Budget made up of grant funding for long term project
4655 CA07	585,000		585,000	Berinsfield Community Investment - Consultants Projects - Budget made up of grant funding for long term project
CA20 1100 CA20	1,598	59,784	61,382	Berinsfield - Agency Staff - Budget made up of grant funding for long term project
1400 CA20	1,000		1,000	Berinsfield - Staff Training - Budget made up of grant funding for long term project
4055 CA20	4,964	(459)	4,505	Berinsfield - Consultation Costs - Budget made up of grant funding for long term project
4066 CA20	2,825	(2,075)	750	Berinsfield - Other Expenses - Budget made up of grant funding for long term project
4503 CA20	2,000		2,000	Berinsfield - Communication/Postage - Budget made up of grant funding for long term project
4651 CA20	42,473	(193)	42,280	Berinsfield - Legal Costs Projects - Budget made up of grant funding for long term project
SV01 1001 SV01 4053 SV01		3,400 32,160	3,400 32,160	Science Vale - Budget made up of grant funding for long term project Science Vale - Marketing - Budget made up of grant funding for long term project
	2,180,762	(163,290)	2,066,389	
Housing & Environment				
EH06 4660 EH06		84,559	84,559	Air Quality project (one off) identified by councillors in 2018/19 budget setting
OP02 1001 OP02		200,500	200,500	Public Realm - one off growth not spent as staff appointments not made until 19/20
4702 HM02		49,000	49,000	Unspent government grant money received for the prevention and relief of homelessness, including - rent-in-advance, cash deposits and landlord incentive payments to secure private tenancies. Underspend occurred in 2018/19 due to staff vacancy in Lettings team during restructure.
		334,059	334,059	
Legal & Democratic				
4307 EL02		32,000	32,000	Late despatch of poll cards. Increase in cost to district council as a result of fewer parish contested elections
		32,000	32,000	
Partnership & Insight				
AH03				

SOUTH Revenue Carry Forwards for Revenue Expenditure 2018-19 - Requests				
Budget code	Carried Forward From 2017-18	New Carry Forward (Spend) 2018-19	Total Carried Forward	Reason carry forward needed
	£	£	£	
1100 AH03	100,236	(65,236)	35,000	Accelerated Housing & Didcot Garden Town - Agency Staff
4655 AH03	224,503	3,248	227,751	Accelerated Housing & Didcot Garden Town - Consultants Projects
4055 EZ02		22,500	22,500	Costs of EZ modelling work
4066 GD01		43,305	43,305	Costs of supporting Growth Deal programme board
4655 CA02	49,574	424,340	473,914	This request is to carry forward £473,914 forward to CA02, account 4655. The funding will support continued work to develop Didcot including: 1) a feasibility study for Jubilee Way roundabout, 2) developing continuity between the Orchard Centre and the Gateway development site, and 3) consultant and land assembly costs to implement various projects. This funding supports project delivery for the Didcot Garden Town Delivery Plan approved in October 2017. The funding in account 4655 was allocated for consultant fees to implement growth in Didcot. The revenue was received from national government grants to support Didcot as a "Growth Point" and development of the gateway site in Didcot. Unspent revenue can only be used for this program.
	374,313	428,157	802,470	
Planning				
4660 PP01	429,244	95,756	525,000	Delayed Local Plan - the costs for examination and updated studies was not used in 2018/19 due to clrl request to review strategic sites
4703 NP03	88,344	(7,358)	80,986	Govt funds required to pay for new Neighbourhood Plan work in accordance with policy of funding local communities
	517,588	88,398	605,986	
TOTAL TO C/F	3,306,663	844,560	4,200,140	

South Oxfordshire DC 2018/19 capital budget monitoring

	Budget £000	Outturn £000	Outturn variance £000
Community Services	1,574	683	(891)
Corporate services	675	359	(316)
Finance	50	50	0
Housing & Environment	1,096	881	(215)
Partnership & Insight	1,275	0	(1,275)
Planning	25	8	(17)
Total working budget	4,695	1,981	(2,714)
Percentage			-58%

Note: Budget is the full year working budget, Percentage is the total variance excluding contingency as a ratio of the budget

Explanation of significant variances**Community Services**

Community Grants underspent by £716,000. There is a long lead time for paying the grants and these committed payments have been reprofiled to 2019/20.

The project to refurbish the changing rooms at Thame Leisure Centre was added later in the year and was not spent by year end, resulting in a £54,000 underspend. This will be spent in 2019/20.

Corporate services

The budget for new offices at Crowmarsh was underspent by £298,000. Work is progressing however and the budget has been slipped into 2019/20

Housing and Environment

There is a long lead time on Disabled Facilities Grants and this has resulted in a £193,000 underspend. This will be slipped to 2019/20.

Partnership and Insight

The £1.3 million underspend related to the growth board. Spend on this project has yet to start and has been carried forward

South Oxfordshire DC slippage of capital schemes from 2018/19 to later years	
Community Services	£000
Didcot Leisure Centre	937
Abbey Sports Centre - spend to save	20
Henley Leisure Centre - spend to save	80
Park Sports Centre capital investment	3
Thame Leisure Centre - learner pool conversion	260
Leisure Centre - capital works	634
Henley Leisure Centre - spend to save	(9)
Revenue Grants - 17/18 Delegated Powers	129
Revenue Grants - 18/19 Delegated Powers	211
	2,265
Corporate services	
Crowmarsh Office	2,380
IT Infrastructure	44
	2,424
Development and Regeneration	£000
Flood Alleviation	15
Broadband	250
	265
Finance	£000
Investment in Pension	5,000
Contingency	700
	5,700
Housing and Environment	
Car Park Furniture	4
CCTV	95
Housing Act Works Refurbishment	150
Temporary Accommodation	1,000
Mandatory disabled facilities grants	2,622
Discretionary assistance	35
Social Housing Initiatives	(50)
Rent Management Software	1
	3,857
Total	14,511

Schedule for Scrutiny Committees 2019/20

(further items to be added to schedule as required)

Meeting date	Council	Agenda items	Purpose of Report	Cabinet Members	Lead Officer	Head of Service
Thurs 19 Sept	Vale	Local Plan Part 2 Annual Performance Review of The Beacon Financial Outturn 2018/19 Business and Innovation Strategy Action Plan Update	Update report Annual Review To monitor the final revenue and capital expenditure for 2018/19 Annual Review	Catherine Webber Helen Pighills Andy Crawford Bethia Thomas	Nadeem Din Dylan Evans Richard Spraggett Melanie Smans	Adrian Duffield Donna Pentelow William Jacobs Suzanne Malcolm
Tues 1 Oct	South	Emerging Local Plan	Report back following Council resolution	Leigh Rawlins	Holly Jones	Adrian Duffield
Tues 26 Nov	South	Delivery of Affordable Housing Air Quality	Progress report Update report on Defra report and feedback received. Review of AQMA's across the district and grant funding. Annual review	Robin Bennett David Rouane	Jayne Bolton	Suzanne Malcolm Liz Hayden

		Planning enforcement annual review 2018/19		Leigh Rawlins	Emma Turner	Adrian Duffield
Thurs 28 Nov	Vale	Delivery of Affordable Housing	Progress report	Bethia Thomas	Jayne Bolton	Suzanne Malcolm
		Planning enforcement annual review 2018/19	Annual review	Catherine Webber	Emma Turner	Adrian Duffield
Tues 3 Dec	Joint	Homelessness and Rough Sleeping Strategy	To comment on the new strategy	David Rouane/Ruth Molyneaux	Phil Ealey	Liz Hayden
		Didcot Garden Town	To consider governance arrangements, priorities and funding allocations	Sue Cooper/Judy Roberts	Marybeth Harasz	Andrew Down
		Proposed Fees & Charges 20/21	To consider proposals	David Turner/Andy Crawford	Richard Spragget	William Jacobs
Tues 21 Jan 2020	South	Authority Monitoring Report 2018/19	Annual Review	Leigh Rawlins	Ben Duffy	Adrian Duffield
		Planning appeal annual review 2018/19	Annual Review	Leigh Rawlins	Tracy Smith	Adrian Duffield
Thurs 23 Jan	Vale	Authority Monitoring Report 2018/19	Annual Review	Catherine Webber	Ben Duffy	Adrian Duffield
		Planning appeal annual review 2018/19	Annual Review	Catherine Webber	Tracy Smith	Adrian Duffield

Tues 4 Feb	South	Review of Final Draft Budget CIL Spending Strategy	To make recommendations to Council To consider the strategy's implementation	David Turner Robin Bennett	William Jacobs Jayne Bolton	William Jacobs Suzanne Malcolm
Thurs 6 Feb	Vale	Review of Final Draft Budget CIL Spending Strategy	To make recommendations to Council To consider the strategy's implementation	Andy Crawford Bethia Thomas	William Jacobs Jayne Bolton	William Jacobs Suzanne Malcolm
Tues 3 March	Joint	Corporate Delivery Framework – Performance Management		Andrea Powell/Debby Hallett	Michelle Wells/Ben Coleman	Adrianna Partridge
Tues 24 March	South					
Thurs 26 March	Vale					

Items for future meetings (date to be determined)**Joint**

- Oxfordshire Plan 2050 Reg18 Part 2 – Planning
- Civil Parking Enforcement - Housing & Environment
- HMOs – implementation of legislation - Housing & Environment
- Unlawful Encampments - Housing & Environment
- Inter-authority Agreement – Legal & Democratic/Corporate Services

South

- Regular Budget Monitoring – Finance
- Strategic Property Review – Development & Regeneration
- New Office Accommodation – Corporate Services
- Corporate Plan - Corporate Services
- Delivery of Crematorium, Graveyard or alternative provision over the next 20 years within the District - Development & Regeneration

Vale

- Regular Budget Monitoring – Finance
- Strategic Property Review – Development & Regeneration
- Charter Centre redevelopment – Development & Regeneration
- Corporate Plan - Corporate Services

The Cabinet work programmes can be accessed via the following links:

South

<http://democratic.southoxon.gov.uk/mgListPlans.aspx?RPlId=121&RD=0>

Vale

<http://democratic.whitehorsedc.gov.uk/mgListPlans.aspx?RPlId=507&RD=0>

Meeting Start times: Joint: 6:30; South: 6:30; Vale: 6.30;

Scrutiny Work Item Preparation

Members are invited to consider the following headings for future agenda items

Item name

Date of report to Committee

What do we want to know about? What topics should the report provider include in their report to Scrutiny?

Who to invite to Committee? (Cabinet member(s) and Head(s) of Service). Anyone from outside agencies?