

Agenda

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Companies Scrutiny Panel

Date: **Thursday 14 December 2017**

Time: **6.00 pm**

Place: **Judge's Room - Town Hall**

For any further information please contact:

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As a matter of courtesy, if you intend to record the meeting please let the Contact Officer know how you wish to do this before the start of the meeting.

Companies Scrutiny Panel

Membership

Chair	Councillor James Fry
	Councillor Andrew Gant
	Councillor David Henwood
	Councillor Craig Simmons
	Councillor Nigel Chapman

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AGENDA

Pages

1 **APOLOGIES**

2 **DECLARATIONS OF INTEREST**

3 **MINUTES**

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Recommendation: That the minutes of the meeting held on 06 November 2017 be approved as a true and accurate record.

ITEMS TO BE CONSIDERED IN PRIVATE - MATTERS EXEMPT FROM PUBLICATION

If the Companies Scrutiny Panel wishes to exclude the press and the public from the meeting during consideration of any of the items on the exempt from publication part of the agenda, it will be necessary for the Shareholder Group to pass a resolution in accordance with the provisions of Paragraph 21(1)(b) of the Local Authorities (Executive Arrangements) (Access to Information) (England) Regulations 2000 on the grounds that their presence could involve the likely disclosure of exempt information as described in specific paragraphs of Schedule 12A of the Local Government Act 1972.

The Companies Scrutiny Panel may maintain the exemption if and so long as, in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

4 **BUSINESS PLAN FOR THE OXFORD DIRECT SERVICES LIMITED (ODSL) AND OXFORD DIRECT SERVICES TRADING LIMITED (ODSTL**

7 - 60

6.02 PM 58 MINS

Background Information
The Panel has asked for this item to be included on the agenda prior to consideration by the Shareholder.
Why is it on the agenda?
On 18 December the Shareholder, on behalf of the City Council, will be asked to deal with a number of formal company matters but will focus its attention on the Business Plan for the two companies. This is an opportunity for the Panel to make recommendations to the Shareholder about the Business Plan.
Who has been invited to advise the Panel?
<ul style="list-style-type: none"> • Gordon Mitchell, Interim Chief Executive • Nigel Kennedy, Section 151 Officer • Anita Bradley, Monitoring Officer <p>The Company Directors and Company Secretary have also been invited to attend and may wish to contribute.</p>

DECLARING INTERESTS

General duty

You must declare any disclosable pecuniary interests when the meeting reaches the item on the agenda headed "Declarations of Interest" or as soon as it becomes apparent to you.

What is a disclosable pecuniary interest?

Disclosable pecuniary interests relate to your* employment; sponsorship (ie payment for expenses incurred by you in carrying out your duties as a councillor or towards your election expenses); contracts; land in the Council's area; licences for land in the Council's area; corporate tenancies; and securities. These declarations must be recorded in each councillor's Register of Interests which is publicly available on the Council's website.

Declaring an interest

Where any matter disclosed in your Register of Interests is being considered at a meeting, you must declare that you have an interest. You should also disclose the nature as well as the existence of the interest.

If you have a disclosable pecuniary interest, after having declared it at the meeting you must not participate in discussion or voting on the item and must withdraw from the meeting whilst the matter is discussed.

Members' Code of Conduct and public perception

Even if you do not have a disclosable pecuniary interest in a matter, the Members' Code of Conduct says that a member "must serve only the public interest and must never improperly confer an advantage or disadvantage on any person including yourself" and that "you must not place yourself in situations where your honesty and integrity may be questioned". What this means is that the matter of interests must be viewed within the context of the Code as a whole and regard should continue to be paid to the perception of the public.

*Disclosable pecuniary interests that must be declared are not only those of the member her or himself but also those of the member's spouse, civil partner or person they are living with as husband or wife or as if they were civil partners.

MINUTES OF THE SCRUTINY SHAREHOLDER PANEL

Monday 6 November 2017



COUNCILLORS PRESENT: Councillors Fry (Chair), Gant, Henwood & Simmons.

OFFICERS PRESENT: Tim Sadler (Executive Director, Sustainable City), Simon Howick (Managing Director, Oxford Direct Services), Nigel Kennedy (Head of Financial Services), Lindsay Cane (Acting Head of Law & Governance) and Andrew Brown (Scrutiny Officer).

9. APOLOGIES

Councillor Nigel Chapman.

10. DIRECT SERVICES TRADING COMPANY - PROGRESS REPORT

The Managing Director of Oxford Direct Services introduced the report, which was the third report to CEB on the local authority trading companies (LATCO). The Council had taken external advice and the trade unions were on board with the proposals.

In discussion the Panel noted that:

- The delay in the transfer date was due to the need to take additional time to get bank accounts, payroll and other systems in place.
- The timing of local elections a month after the transfer date was not considered to be an issue.
- There would be long term service and support contracts between the Council and the two companies, and the pricing and terms would be reviewed every three years.
- Works above a certain value carried out by the Teckal company for the Council would have to be priced within certain parameters to ensure competitiveness and standard items would be benchmarked.
- New and transferred staff would all be employed by the Teckal company on the same terms. Their labour would be sold to the trading company when work was undertaken for other customers.
- Vehicles and equipment would be transferred to the companies, providing an incentive for these assets to be looked after.
- The Council remained responsible for the fabric of the buildings and has asset management infrastructure in place to service these buildings but interior repairs would be the responsibility of the tenant company.
- Any financial reserves held by the companies could be invested in a similar way to council reserves and balances.

- A quarterly partnership board would monitor the performance of the Teckal company by exception. Service quality issues would be picked up at monthly client meetings.
- The Council would be the LATCOs largest customer for the foreseeable future and the companies would want to ensure that all customers receive the same high quality service.
- Reductions in fuel and utility costs set out in the risk sharing agreement reflected the arrangements in place for other council services and the Council's leisure partner.
- Newer debt risk would be shared 50/50 between the Council and the trading company. If the company did not wish to take enforcement action in line with Council's processes it would take on 100% of the risk.
- The same policies would apply to the Council and the LATCO companies but the company directors would need to take a commercial view where there were cost impacts (e.g. if all staff were to be offered an extra day of leave in recognition of a corporate achievement).

The Panel commented that it would be useful for the time series profit data to include current and recent years. The Panel heard that Direct Services did not current make profits so it would not be a direct comparison but that this information was set out in an interpretation document.

The Panel agreed to see the interpretation document and the business plan for the LATCO companies before it is presented to the Shareholder in December. The Panel said that the meeting should take place before an all-member briefing so the Panel can influence the discussion at the briefing.

The meeting started at 6.00 pm and ended at 7.00 pm

Agenda Item 4

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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