

## **Minutes of a meeting of the CITY EXECUTIVE BOARD on Tuesday 18 July 2017**

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### **Committee members:**

Councillor Price (Chair)

Councillor Turner (Deputy Leader)

Councillor Brown

Councillor Hayes

Councillor Hollingsworth

Councillor Rowley

Councillor Sinclair

Councillor Smith

Councillor Tanner

Councillor Tidball

### **Officers:**

Gordon Mitchell, Interim Chief Executive

Tim Sadler, Executive Director Sustainable City

Jackie Yates, Executive Director Organisational Development and Corporate Services

Simon Howick, Service Transformation Manager

Paul Wilding, Programme Manager Revenue & Benefits

Lindsay Cane, Acting Head of Law and Governance

Nigel Kennedy, Head of Financial Services

Sarah Claridge, Committee Services Officer

John Mitchell, Committee Services Officer

### **Also present:**

Councillor David Thomas, Ward Councillor for Holywell

Councillor James Fry, Chair of Scrutiny Shareholder Panel and Finance Panel

### **Apologies:**

No apologies were received

### **34. Declarations of Interest**

None

### **35. Addresses and Questions by Members of the Public**

None received

### **36. Councillors Addresses on any item for decision on the Board's agenda**

Cllr Thomas spoke on item 10, Council Tax Reduction Scheme for 2018/19 (minute 36). He had been minded to speak against option 10 (introducing a minimum charge) but after reading the Board Member's response to the Scrutiny Panel was content to let the matter rest.

### **37. Councillor Addresses on Neighbourhood Issues**

None

### **38. Items raised by Board Members**

None

### **39. Scrutiny Committee Reports**

#### **a) Scrutiny Response: Local Authority Trading Company**

Cllr Fry, Chair of the Scrutiny Shareholder Group and Finance Panel presented the report. He said that he was pleased with the protections given to employees, but felt that the report didn't sufficiently emphasise the benefits of the trading model for the Council. The Board approved the Scrutiny recommendation.

#### **b) Scrutiny Response: Council Tax Reduction Scheme for 2018/19**

Cllr Fry, Chair of the Scrutiny Shareholder Group and Finance Panel presented the report. He noted that the benefits of the scheme were potentially greater for the County Council. He suggested that the scheme was of sufficient significance to warrant that the wider community be consulted about its introduction. Cllr Brown, Board member for Customer and Corporate Services agreed that all those affected should be consulted.

### **40. Local Authority Trading Company - Progress report.**

The Executive Director for Sustainable City submitted a progress report on the establishment of the Local Authority Trading Company.

Cllr Ed Turner, Board Member for Finance, Asset Management and Public Health presented the report.

The Service Transformation Manager presented the report. He said that work was progressing well and there was verbal agreement that the Local Government Pension Scheme would be available to those staff transferring to the new company. There had been productive discussions with the trade unions and financial modelling was well underway and a shareholders' agreement had been drafted. Notwithstanding the

progress, this was a complex matter and much operational detail had yet to be determined.

The Chair reaffirmed that, at this stage, the Board was just being asked for approval in principle, looking to a further report in October. The business plan element of the proposal would be critical.

The Executive Director for Sustainable City reminded those present that the proposal was underpinned by the strong conviction that the proposal was in the best interests of the Council.

The Interim Chief Executive was pleased that the work done had been able to give confidence to staff. He reaffirmed the importance of the Business Plan and the work now needed to progress it. Successful implementation had the potential to generate considerable new business for the Council. The two companies had been established as legal entities which would be distinct from the Council but care would need to be taken to ensure that Council values and aims were not lost in the process. While there was a clear ambition to have the new arrangements in place by 01 November it should be recognised that (and it did not matter if) not every detail was sorted by then.

Cllr Brown, Board Member for Customer and Corporate Services welcomed the Interim Chief Executive's comments, particularly the recognition of the desirability of a shared ethos with the new companies.

Cllr Tanner, Board Member for A Clean and Green Oxford reminded those present that a failure to proceed on the lines proposed would almost certainly result in the need for the Council to curtail its current level of activity. The Board thanked staff for their work on the project to date.

The City Executive Board resolved to:

1. **Approve** the revised LATCo company structure as set out in this report, i.e. the creation of a "Teckal" company (to provide Council services – "the Teckal Company") and a trading company (to trade with external customers – "the Trading Company")
2. Note that the Interim Chief Executive in consultation with the Council's section 151 officer, Monitoring Officer and the Leader will be developing a full update report to be considered by the Board in September or October, which will contain recommendations on the following issues:
  - a. A date ("the Transfer Date"), on which all service delivery currently carried out by the Council's Direct Services will be transferred to the two new LATCo companies.
  - b. In regard to the Teckal Company, the terms of the Council's entry into an appropriate agreement with the company ("the Service Contract") under which the Teckal Company would undertake from the Transfer Date all relevant Council statutory functions and related work, as currently undertaken by Direct Services;

- c. The arrangements to transfer all Direct Services staff engaged in service delivery immediately prior to the Transfer Date to the Teckal Company, such transfer being subject to the TUPE regulations;
  - d. The arrangements to ensure that all transferring staff will continue to have access to the Local Government Pension Scheme;
  - e. The terms of the contract between the two LATCo companies and the Council (“the Support Contract”) under which the Council would provide support services to both companies;
  - f. The terms under which the Council would enter into leases or licences with the two LATCO companies covering their occupation of relevant Council premises and use of Council resources;
  - g. The arrangements made to transfer to the Trading Company of all contracts with third parties in existence on the Transfer Date
  - h. The terms of the Shareholder’s Agreement to be made between the companies and the Council (acting through its Shareholder Group)
  - i. The provisions of an initial Business Plan (or Plans) for the Companies.
  - j. An aspiration that the project aim should be to go live on 01 November 2017.
3. **Agree** to the transfer on the Transfer Date of all Direct Services staff engaged in service delivery immediately prior to the Transfer Date to the Teckal Company in accordance with all relevant employment law protecting terms and conditions of employment including pension, and for this to be reflected in the contract. This proposal being subject to consultation having taken place with the Trades Union concerned.
4. **Recommend** to the Teckal company that it incorporates the new Council three year pay deal (if endorsed by a ballot of Trades Union members) into the employment contracts of the transferring staff for the three year period following its implementation by the Council.
5. **Agree** to a transfer to the Trading company of the Council’s order book/external customer list, on terms to be agreed.

6. **Agree** to grant a licence to the LATCo companies to use the Council's "ox and ford" logo and the name "Oxford Direct Services" on terms to be agreed.
7. **Recommend that Council** agrees to a further loan of a sum up to £200k to the LATCo companies, on State-Aid compliant terms, to enable the LATCo companies to fund their set up costs and to delegate to the Councils section 151 officer, in consultation with the Interim Chief Executive and Council Leader, authority to approve spending of this money on other related matters
8. **Approve** the governance arrangements for the LATCo companies set out in this report.
9. **Ensure** that "client side" arrangements as set out in this report in regard to the Council's management of its contract with the Teckal Company are fully worked up and agreed
10. **Delegate authority** to the Interim Chief Executive, in consultation with the Council's s151 and Monitoring Officers and the Leader of the Council to agree on behalf of the Council any matter requiring the Council's consent to properly implement the proposals set out in this report, including the terms of any leases or licences to be granted to the companies for operational premises, vehicles, intellectual property or other licences, the terms of any loan agreement and any other relevant matters

#### **41. Low Emissions Taxi Infrastructure Scheme**

The Director for Sustainable City submitted a report which sought project approval to spend capital funding of £370k granted by the Office of Low Emission Vehicles (OLEV). The funding is to deliver electric vehicle charging points for Hackney Carriages and Private Hire vehicles operating in Oxford. Further funding may be available depending on degree of uptake of ultra-low emission taxis. The total project value may therefore exceed £500k in total.

Cllr John Tanner, Board Member for A Clean and Green Oxford presented the report. At a time of austerity, it was particularly gratifying to have secured government funds to contribute to the introduction of this scheme. The development of a network of rapid charging points would mean that Oxford taxis would be leading the way in the introduction of cleaner and cheaper transport in the City. A meeting with taxi drivers was being arranged and while the costs of new electric vehicles was greater than for others, the running costs were significantly less.

Cllr Rowley noted the significant increase in the proportion of diesel vehicles over the last decade and anything that contributed to a reduction in consequent pollution levels was very welcome.

The Executive Director for Community Services said that the taxi trade sought certainty and timetables for implementation. They understood that electric cabs would be more expensive but want to know when the proposal was going ahead. This was a matter that had been discussed for some time so the present proposals were very welcome.

Cllr Hollingsworth asked about the distinction between Hackney Carriages and private cabs for the purposes of the scheme. The scheme was primarily aimed at Hackney Carriages but Cllr Tanner said that the meeting referred to above was with all taxi providers. He noted that an increasing number of private hire vehicles were either already electric or hybrid.

The Board thanked officers for their effective work at bringing the scheme to this point.

The City Executive Board resolved to:

1. **Grant project approval** for the electric vehicle charging for taxis project referred to in this report;
2. **Delegate authority** to the Director for Sustainable City to complete negotiations with the Office of Low Emission Vehicles with a view to the Council being appointed as the accountable body for, and receiving grant funding under a funding agreement with the Office of Low Emission Vehicles;
3. **Delegate authority** to the Director for Sustainable City, in consultation with the Monitoring Officer and Section 151 officer, the authority within the funding envelope provided by the Council to enter into:
  - a) a grant agreement with the Office of Low Emission Vehicles;
  - b) appropriate agreements with our bid partners; and third parties required to deliver the project subject to their being selected under an appropriate procurement process.

## **42. Council Tax Reduction Scheme for 2018/19**

The Executive Director of Organisational Development and Corporate Services submitted a report which approved the proposals made for consultation on changes to the Council's Council Tax Reduction Scheme for 2018/19.

Cllr Susan Brown, Board Member for Customer & Corporate Services presented the report. She said the scheme reflected the Council's belief in financial inclusion and a recognition that seeking to secure money owed from residents who are financially pressed generally cost more in officer time to chase late payments than the money collected. The reviewed scheme takes into account the changes in the benefit system, in particular, the introduction of Universal Credit.

Having spoken to Councillors there is a clear view that it would not be preferable to consult on all the options given in the paper but, rather, to focus only on those which the Council would countenance.

She recommended the Council consult on the following options

Option No.	Description of change
1	Create an income band scheme for Universal Credit customers
3	Remove second adult reduction provision
5	Limit backdating to one month
6	Introduce a minimum income floor for self-employed claims
7	Reduce period where someone can claim whilst abroad
9	Remove family premium

The consultation document will acknowledge the existence of options which have, effectively, been ruled out.

The Programme Manager for Revenue and Benefits said the proposed consultation document would be amended to reflect the options agreed by the Board. The consultation will run for 2 months and papers will be available on the Council's website, in Templar Square shopping centre and the Town Hall.

The Board discussed the nature of the consultation and made the following suggestions:

- The consultation document needs to be sufficiently 'user friendly' to engage the wider community without, at the same time, simplifying this complex matter to a degree that it ceased to become meaningful.
- Workshop activities to promote the consultation in community centres
- Council's Communications team could create a video to explain the complex concepts.
- Briefing note for councillors so they can explain the proposals to constituents
- Focus group sessions to get people's feedback.

Cllr Brown agreed to set up a focus group with a cross section of key customers to complement the wider consultation. The Programme Manager for Revenue and Benefits agreed to review the consultation document to make it more user friendly, and agreed that all Councillors would be provided with a 'one page' briefing note to inform conversations with constituents.

The City Executive Board resolved to:

1. **Agree** that options 1, 3, 5, 6, 7 and 9 as set out in the table at paragraph 9 should be subject to public consultation.
2. **Agree to** consult on the proposals for an 8 week period from 19 July 2017 and;
3. **Instruct** the Executive Director of Organisational Development and Corporate Services to bring a further report to December CEB subject to the outcome of the consultation process.

### **43. Minutes**

The Board resolved to

APPROVE the minutes of the meeting held on 15 June 2017 as a true and accurate record.

APPROVE the amended minutes of the meeting held on 20 June 2017 as a true and accurate record.

### **44. Dates of Future Meetings**

The Board noted that the next meeting was scheduled for 15 August 2017.

**The meeting started at 5.00 pm and ended at 5.54 pm**

Chair .....

**Date: Tuesday 15 August 2017**