**Council Leader’s statement - 19 July 2018**

"I am pleased to be able to update you all on the progress of the site review work which officers are undertaking to support the South Oxfordshire Local Plan.

"Officers wrote an initial letter to the Ministry of Housing, Communities and Local Government on 24 May, which is published on our website, and have maintained a dialogue with them over the last few weeks regarding the review process.

"I am grateful to the support extended to the Council from the Planning Advisory Service (PAS) and the Planning Inspectorate about the methodology and process of undergoing a site assessment process at this stage of the Local Plan development and their ongoing positive feedback. Notwithstanding this, in line with the democratic process, all sites under review will continue to be potential sites until a decision is made by Council.

"The work which officers have undertaken with the support from both the Planning Inspectorate and the Planning Advisory Service causes me to believe that we are on track to deliver the milestones set out in the Oxfordshire Housing and Growth Deal, something I will confirm to partners at the next meeting of the Growth Board.

"We recognise that the publication of the National Planning Policy Framework is imminent and may impact on the work that our planning team are undertaking and could necessitate additional work to support our Local Plan. If anything should change or impact upon our timetable, we may need to revisit the question set out in the Council resolution of 15 May and I will confirm as soon as possible to members if that is the case.

"Notwithstanding the above, I have asked that officers bring an updated version of the Local Plan timetable to Cabinet in August.

"Officers remain in positive and regular communication with the Ministry for Housing, Communities and Local Government and Councillors will continue to be updated on the progress of the Local Plan through the Round Table Sessions.  Our Chief Executive and other officers continues to liaise closely with our partner authorities across Oxfordshire regarding the Growth Deal linked aspects of this matter.

"I would also like to update Councillors on the current position in relation to the councils ongoing contract with Capita.  The Chief Executive and his team have continued to keep me apprised of the latest developments in relation to the ‘5 Councils’ Contract.  As all members will be aware, we recently approved a renegotiation of the contract and I am pleased to say that the insourcing of services from VINCI and the establishment of a direct relationship with Indigo for our Parking Service delivery has gone exceptionally well.  Whilst we all too often take it for granted, I would like to pay tribute to the staff involved in this process, they have actioned our decision quickly, with a strong focus on residents and have done so without fuss or drama.

"In relation to the elements of the contract that remain with Capita, our officers continue to work in a positive manner with Capita to reshape the services they provide.  I am pleased that Capita have committed to work with us to achieve this and that they support the benefits of the positive and truthful approach our officers have taken as confirmed via their recent email to our Scrutiny Committee, which I have asked to be copied to all members tonight.

"Financially, I am now advised that our ‘best case’ scenario under a full cost model of assessment is that the contract, over its life time, will ‘break even at best’.  I have held many meetings with officers regarding this matter, as I am aware it is a significant shift from the savings that members were originally advised of.

"I am content that the Chief Executive and his team have not only secured the best possible renegotiation of the contract, but that the straightforward and pragmatic approach that they have taken has increased transparency and contributed to a significant increase in member understanding of the contract.  This work is ongoing and I am sure all councillors would agree that we should offer our support to the officers involved in this.  I would be happy to meet with any councillor, the Chief Executive and our Section 151 Officer to expand on this area, much of which remains commercially sensitive at this time.

"I have specifically sought out assurance from the Chief Executive and our Section 151 Officer regarding the original decision-making process and the information that was made available to members, staff and residents.

"I think all councillors will agree that we are fortunate that our current officers call a spade a spade and have committed themselves to resolving the challenges we face.  I believe we are better informed regarding the detail and implications of the 5Cs contract now than at any other time.  Following conversations with the Chief Executive and Section 151 officer, based on the information that was available to us at the time of letting the contract, I do not believe members made a decision that was illogical, inappropriate or unreasonable.  Furthermore, I believe that is the view of our Chief Executive.  If required, I am sure he would confirm that to you all tonight.

"My belief in the knowledge and ability of our current officers is supported by the fact that all the councils involved in the 5Cs contract sought agreement that our Chief Executive should lead the most recent renegotiation, something he undertook in addition to his demanding day job.  This renegotiation, approved by full council, has provided the platform we are now seeking to further enhance.  I have asked that a paper on the outcome of our current discussions with Capita is brought forward to full council as soon as practicable. I have specifically requested that this focuses specifically on the issues that impact South Oxfordshire District Council, rather than other partners to the contract, who may be impacted differently.

"I am clear and wish to confirm my full support for the view that our officers’ primary duty is to our council, but I have asked that they attempt to deliver our requirements in a way that is as inclusive and mindful of the needs and views of our partner councils as they are able to.  I am content this is the case, will ensure that the paper I mentioned above is brought before full council as soon as possible.

"I also wish to update Council on a separate matter, which is not directly related to the 5Councils contract renegotiation.  I regret to inform Council that our external auditors have confirmed that their audit of our accounts will not be completed in line with the statutory deadline, which as members may be aware is two months earlier than in previous years.  I am very disappointed by this, but I am assured by the Chief Executive and our Section 151 Officer that they are not aware of any issues of financial concern or fraud relating to this decision by our external auditors.  Regrettably, it appears that EY believe that Capita, who provide our accountancy service, and our officers have failed to provide our auditors with all the information and detail they require in a timely enough fashion.  This has been made clear by our officers at the recent Joint Audit and Governance Committee.  I, along with the Cabinet Member for Finance and our Joint Audit and Governance co-Chair have been explicit with the Chief Executive that we are seeking a full explanation of the reasons for this issue and a meeting is already scheduled with our external auditors EY, to achieve this.  I would wish to emphasise that I respect and welcome the role of our external auditors and support the work they and our Chief Executive and Section 151 officer are undertaking to address this issue, but it must not be repeated and we all need to be apprised of the reasons for the delay we have experienced.

"Another aspect of our external auditor’s role is to assess our Value For Money in the use of public funds.  This area was not fully supported by our auditors last year, due predominately to capacity and knowledge issues across our senior structure.  It is possible that the difference between our initially hoped for 5Cs savings and the current position may lead to a further qualification of our Value For Money assessment this year.  However, I remain hopeful that the open and honest approach our officers are taking to addressing this issue, and its limited impact on our long term financial planning, will mean that this is not the case.  That said, the delay in the completion of the audit work by EY means I cannot be sure of this at this time.

"I, and my Cabinet, are of the view that officers are doing all they can to make progress across this complex and challenging agenda.  I would ask that all members support them in this and that you accept my assurance that as soon as I am able, I will ask the Chief Executive to bring a paper to full council that expands and clarifies the above."

**Cllr Jane Murphy - Leader of South Oxfordshire District Council**