

Cabinet

12 JULY 2016

PRESENT: Councillor N Blake (Leader); Councillors J Blake, A Macpherson, H Mordue, C Paternoster and Sir Beville Stanier Bt. Councillors C Adams and M Rand attended also.

APOLOGY: Councillor S Bowles

1. MINUTES

RESOLVED –

That the Minutes of 15 June, 2016, be approved as a correct record.

2. BUCKS JOINT WASTE COMMITTEE (DISSOLUTION)

The Bucks Joint Waste Committee (JWC) had been established in 2004 to deliver the aims and objectives of the County-wide Joint Municipal Waste Management Strategy. At its last meeting the JWC considered how its work could best be progressed, within the context of the background to its establishment and its achievements since its formation.

New collection services and procurement contracts; a forecast underspend of just over £125,000 at the end of 2015/16 and the Waste Partnership Officer vacancy had provided the opportunity to review the current partnership arrangements.

The Committee had considered a number of options and it was decided that the JWC should be streamlined to improve efficiency and to replace the formal decision making structure that was no longer required. A distinction had been drawn between the formal JWC decision structure and the Buckinghamshire Waste Partnership that referred to activities carried out jointly by the Districts and the County Council and the joint branding. Members of the Committee had recognised the benefits of working together and were keen to continue the sharing of knowledge between authorities within the Partnership. They had also been particularly keen to continue the successful fly tipping campaign, DCLG funded activities and litter reduction. It had been agreed that activities to reduce littering were best carried out by the Districts due to the close links with the waste collection and street cleansing arrangements delivered by the District Councils. It had been noted that joint officer groups would be needed to enable specific projects to continue to be delivered jointly by the Partnership.

Section 17 of the JWC Constitution enabled the JWC to be dissolved provided that a minimum of 12 months notice was given, to expire on 31 March in any year. This notice period could be waived provided that there was agreement from each participating Council's Cabinet.

The JWC had made the following recommendations for consideration by the Cabinets of each constituent authority:-

- That the Joint Waste Committee for Buckinghamshire be dissolved without a minimum 12 months notice period, subject to agreement from the Cabinet of each participating Council.
- That the Joint Waste Partnership be retained as an informal entity to carry out specific joint activities on behalf of Buckinghamshire County Council and the

District Councils, including the fly tipping campaign and activities relating to the funding received from the DCLG.

- That activities to reduce littering be carried out by the District Councils.

The County and District waste officers were developing a Memorandum of Understanding to provide adequate governance arrangements that would regulate the work of the informal Partnership and which would replace the formal constitution of the JWC. The Memorandum of Understanding would address the rationale and scope of the informal waste partnership, goals and objectives, governance and delivery of initiatives, including spend of the DCLG funding.

Activities based around the Joint Waste Strategy would be ongoing, with the initial meeting of the informal Waste Partnership expected to be scheduled for September, 2016. An annual report would be submitted to Members to keep them informed of progress against the objectives of the Joint Waste Strategy. The actions under the Joint Waste Strategy would continue to be delivered under the operational powers of the relevant Sector Lead/Director/Manager in each constituent authority.

The terms of the Memorandum of Understanding for the informal Joint Waste Partnership would be finalised in readiness for the Partnership to continue to deliver the aims of the Joint Waste Strategy, and delivery of the Partnership programme related to the DCLG funding would continue to require officer and partner input.

The JWC held a budget surplus of around £125,000 (subject to existing commitments) and activities would be funded from this surplus until the remaining budget had been utilised, which was expected to be 2018/19. This funding would primarily be used to deliver the fly tipping enforcement work on behalf of the Partnership. Beyond 2018/19, further budgetary provision would need to be considered by each partner and agreed at an operational budgetary level by the appropriate delegated officer.

RESOLVED –

- (1) That the Joint Waste Committee for Buckinghamshire be dissolved when all the constituent authorities have given their formal agreement to do so, and that the 12 months notice required by the Committee's Constitution be waived.
- (2) That the Joint Waste Partnership be retained as an informal entity to carry out activities to support the delivery of the Joint Waste Strategy 2014 – 2020.
- (3) That a Memorandum of Understanding, as outlined in the Cabinet report, be drawn up to regulate the activities of the Joint Waste Partnership, with authority being given to the Interim Sector Lead, Customer Fulfilment, after consultation with the Council's legal advisors, to agree precise terms.
- (4) That the remaining funds in the approved budget of the Joint Waste Committee, once committed expenditure had been met, be used to fund a continued fly-tipping campaign across Buckinghamshire.
- (5) That the grant awarded by the DCLG for the "Fighting Food Waste" project be used to support the activities described in the bid for funding.
- (6) That the partner councils give consideration to making budgetary provision for the ongoing work of the Partnership once the remaining budget had been utilised, expected to be for the financial year 2018/19 and thereafter.

3. GRANTS REVIEW

The Council had a long history of supporting the Voluntary Community Sector (VCS) and maintained positive working relationships with organisations providing services to the Vale's communities. The Council currently funded 16 organisations who held service level agreements with the Council. These organisations had been funded by the Council for many years, and the grants programme was not currently open to new groups to apply.

The grants programme had last been reviewed in 2009 and in the light of the ongoing pressure on the Council's budget, the changing pressures on the voluntary sector and the recent introduction of the Vale Lottery, it was considered timely to re-evaluate the programme to ensure that it remained fit for purpose, and that funding was allocated in line with the Council's priorities and strategic needs, and against a backdrop of rising costs and reducing funding in the current economic climate.

There was a growing demand for advice services, such as those provided by Citizens' Advice Bureaux, and for services which provided support for an aging population, services which supported people with disabilities, and services which supported the physical and mental wellbeing of young people. There was also a need for a mix of funding including short term project funds and longer term support costs.

The Council's Informal Grants Panel had considered the background to the current grants framework, the current arrangements and the issues facing the Council and the voluntary and community sector. It had identified the need for a flexible grants programme and had made a number of recommendations to update the current grants programme.

As mentioned earlier, the Council's current grant funding programme had last been reviewed in 2009. The Informal Grants Panel which considered grant applications and made recommendations to the Cabinet Member for Leisure, Communities and Civic Amenities had examined the current issues and had looked at a possible new approach to discretionary grant funding. The primary principle had been to ensure an open and transparent process, and that funding was allocated in line with the Council's priorities and strategic needs and the most critical needs of the voluntary sector.

The Council had signed the original Buckinghamshire Compact in 2004 as a commitment to co-operative working with the VCS. This was an agreement developed jointly between local public sector and voluntary and community sector organisations about how they would work together, and which set out codes of practice, including principles around funding processes.

The current programme provided grants through funding known as Service Level Agreements (SLAs) which were designed to support the core costs of the organisations it funded (e.g. management, administration, office costs and rent). The Council's support also provided important leverage enabling the organisations to attract additional funding for project work or service provision. However in the light of the changes in demand and the proposed new priorities, the Informal Panel had felt that funding should be more flexible and support project costs as well as core costs.

The SLAs were long standing arrangements and, although there was an application process every three years, and ongoing monitoring, the organisations currently funded by the Council had benefited from consistent support over many years and had come to rely on the Council's funding. The programme was not currently open to new organisations to apply for funding.

AVDC was an outcomes based funder and this meant that it was particularly interested to know how each organisation had delivered its services to address need and the

specific differences the service and the Council's funding was making to individuals and communities within the Vale. A service activity and performance schedule formed part of the SLA and the Council sought 6 monthly monitoring reports against this framework, agreed with each of the individual organisations. The monitoring arrangements for the SLAs were rigorous, and opportunities for improvements and efficiencies were regularly discussed and explored and as a result there had been changes to funding agreements over time.

Reviews of the grant funding arrangements and grants budget had been undertaken in 2001/02 and 2008/09. The outcome of both reviews had been to re-focus the Council's funding priorities, which had subsequently led to a reduction in the grants budget. In addition, as a result of the service prioritisation exercise in 2009/10, the Council's project funding budget had been reduced over the two year period 2010/11 – 2011/12, and removed completely in 2012/13. This in turn had removed the flexibility of the grants programme to support project based costs, either for SLA holders or other VCS organisations in the Vale. The grants budget for the SLA programme had been £619,672 in 2009/10 and had reduced over the past 6 years to just under £400,000 in this financial year.

In December 2012, because of the uncertainty at that time about possible reductions in the grants budget, it was agreed that only two years' funding could be confirmed for 2013 – 2015, with the option for AVDC to extend the agreement for a further year. In December 2014, based on the budget available, and satisfactory monitoring returns, 15 organisations had subsequently had their SLA extended at the previous level of funding for 2015/16. Two grant awarding bodies, namely, the Aylesbury Vale Arts Council and the Aylesbury Vale Sports and Activities Network held sufficient levels of reserves to meet local demand for the financial year and had had their funding reduced.

Since 2013, the Grants Officer had worked closely with all SLA holders to encourage them to identify and pursue alternative fund raising options. To this end, a sustainability workshop had been held in February, 2014, and monitoring meetings, discussions had been held about the grants review and possible funding reductions. Most organisations were therefore prepared for this eventuality, although some had come to rely on the Council's funding and might not be viable without it.

In preparation for the review, the Grants Officer had been liaising with the local infrastructure organisations such as Community Impact Bucks and Heart of Bucks (formerly Buckinghamshire Community Foundation) about the current and future issues facing the VCS in the District.

For a number of years the following broad list of themes and priorities had formed the basis of the criteria against which all grants to the VCS were assessed. These themes were based on the Sustainable Community Strategy for Aylesbury Vale 2009 – 2016 and had been endorsed during a review of the grants framework in 2009:-

- Engaged communities where everyone feels able to participate and belong.
- People are supported and enabled to improve their life choices, skills and access to services.
- A strong and enabled local voluntary and community sector.
- Strong communities where people feel safe.
- Healthier people and more active communities.

In November, 2015, grant funding had been agreed for 26 VCS organisations and luncheon clubs, providing services across the Vale. The Cabinet report contained a schedule of the organisations concerned. Given the intention to review the grants programme, one year SLAs had been agreed with each of the organisations.

In total, £393,730 of funding support had been agreed. This funding would help deliver more than £3 million worth of services, which made a significant difference to individuals and communities. Almost 16,000 people benefitted from the services provided by the SLA holders (this figure did not include the figures from organisations which measured interactions (total visits), instead of the number of individuals, e.g. Queens Park Centre and community centres). Current data (September 2015) showed that SLA holders currently funded, employed 215 members of staff and supported approximately 750 volunteers, (181 volunteers sat on the various management committees and boards of trustees and there was some overlap). Assuming that each volunteer gave an average of only one hour per week, the collective value of volunteers to the SLAs was at least £519,000.

The grants programme currently supported three community organisations to manage community centres owned by the Council – the Aylesbury Multi-Cultural Centre, Quarrendon and Meadowcroft and Haydon Hill. The principle of community managed centres had been supported by the Council and the grants helped the organisations to meet the shortfall between income and expenditure on running costs. The arrangement was therefore somewhat different from other grants, which were given to community groups delivering community services. The review, which was the subject of this report, presented an opportunity to address where future funding for these particular services was managed.

The Council currently contributed just under £22,000 from its grants budget to a countywide contract which enabled free infrastructure support services to be offered to all VCS organisations in Bucks, known as The Bucks Infrastructure Contract. These services resulted in a stronger and more resilient VCS. This was a tendered contract arrangement between the District Councils in Bucks, the County Council and the provider, and was a very different arrangement from the SLAs funded from the grants programme.

In the current decision making process for the grants framework, the relevant Cabinet Member made a decision based upon the recommendations of the Informal Grants panel. The membership of the Panel was politically balanced. The recommendations of the Panel were not binding upon the Cabinet Member and could be changed, although the necessity for this had been extremely rare. Once the Cabinet Member's decision had been confirmed, it was subject to the scrutiny process.

A scoring system and application form were currently used which would need to be revised to reflect the new criteria, i.e. the requirement for organisations to provide information about which priority their service met and how; strong evidence of need; who the beneficiaries would be; the intended outcomes of the services provided and the robustness of the organisation, both financially and in its governance.

With the ongoing pressures on its budget, the Council had recently launched the Vale Lottery, which provided voluntary and community sector organisations with another opportunity to raise funds. At the time of writing this report, £21,902 had been raised for good causes, with projected annualised funds of £60,290. 12 of the 16 current SLA holders had signed up to the Vale Lottery and had raised just over £4000 between them. In addition, the Vale Lottery Community Fund had raised £15,678 and was designed to subsidise the available grants budget. There was currently no separate method for AVDC to distribute the money raised by the Lottery.

The issues currently facing the VCS had been outlined in the publication "Buckinghamshire Voluntary and Charity Sector" Report (October, 2015), commissioned by Community Impact Bucks. In addition, the Buckinghamshire Health and Wellbeing Strategy, Buckinghamshire's Joint Strategic needs assessment and the Prevention Matters programme all helped to outline the issues facing the community and service providers and had been used by the Grants Panel to inform their recommendations.

Within Buckinghamshire an estimated 31,600 adults had a moderate or serious physical disability and this figure was projected to rise. The numbers of people aged 85+ was projected to increase by 84% between 2011 and 2025. The Buckinghamshire Voluntary and Charity Sector Report highlighted the ageing population in Bucks and the growing demand for services for older people, particularly those that supported people with dementia and which helped alleviate loneliness and isolation. The report also raised awareness of the rise in mental health issues facing vulnerable and at risk young people, and that additional resources would be needed to manage this demand. These themes were echoed by the Buckinghamshire Health and Wellbeing Board. In the light of all these factors, the Informal Panel's recommendations for the VCS programme were as set out below:-

- (a) That the criteria should move away from the very broad themes based on the Sustainable Community Strategy, and should focus on priority areas which target the services in greatest demand for vulnerable and disadvantaged residents. Applications should therefore be invited from organisations which could demonstrate that their services prevented or supported one of the following priorities across the District:-
 - Services for older people (particularly those that supported dementia sufferers and helped prevent loneliness and isolation).
 - Services supporting the emotional and mental development and well being of young people (particularly those aged 13 – 19 and up to 25 with disabilities who were vulnerable or at risk).
 - Services for people with disabilities (learning, sensory and physical).
- (b) That priority should be given to services for which there had been an increasing demand; services that would provide the most impact for the Council's investment; and services whose outcomes contributed the most to the Council's corporate priorities, assessed by the Panel as part of the application and scoring process.
- (c) That the allocation of funding should be more flexible and should support project costs, as well as the core costs of a few organisations providing key advice services that strongly aligned with the Council's strategic needs. Examples included Citizens' Advice Bureaux who provided free and independent advice on a range of issues, including debt and welfare benefits, housing, employment, immigration, and nationality and Aylesbury Women's Aid, who provided advice and support services to women living with domestic violence.
- (d) That no prescribed limits be set for the amount of funding to be allocated for core funding under a Funding Agreement. This should remain flexible within the grants budget available, and the funding recommendation should be dependent upon the strength of the applications received and the amount of funding requested.
- (e) That multi-year funding (3 – 5 years) should be awarded under a Funding Agreement to support core costs. This would give VCS organisations some

financial security and stability to focus on service provision and provide greater leverage to attract additional funding for project work or enhanced service provision.

- (f) That a percentage reduction be built in across the duration of any multi-year agreement, and there would be no expectation to repeat fund.
- (g) That a project grant funding stream should be introduced and awarded on an annual basis and that these should be one off grants of up to 50% of project costs and a maximum of £20,000. Organisations would be able to submit one application at a time and the Council would not repeat fund the same project.
- (h) That AVDC grant funding should not be used to alleviate funding pressures in other statutory areas.
- (i) That the eligibility criteria should include a limit on the amount of reserves held by an applicant, in line with the Charity Commission's advice. It was suggested that an organisation holding more than a year's unrestricted reserves would not be eligible to apply (unless the trustees were able to explain and justify the reserves held).
- (j) That applications should be supported by a business plan and financial forecast for the duration of any core funding application or a comprehensive project plan for project grant applications.
- (k) That the budget for the three community associations currently supported by the grants programme be "lifted out" of the grants programme and transferred to the commercial AVDC team, to be administered by the Community Leisure manager, responsible for the AVDC managed centres. Also that the future funding decision be delegated to a senior manager after consultation with the relevant Cabinet Member.
- (l) That the budget for the Infrastructure Contract be "lifted out" of the grants programme and the decision delegated to a senior manager after consultation with the relevant Cabinet Member.
- (m) That the current decision making process should remain in place whereby the relevant Cabinet member made the decision about funding based upon the recommendations of the Informal Grants Panel.
- (n) That the grants officer should update the application form, scoring criteria and other documentation, after consultation with the relevant Cabinet Member.
- (o) That the grants officer should inform the VCS organisations currently supported of the likely changes to the grant funding model and to confirm the changes as soon as practicable after this meeting. This would meet the requirements of the Buckinghamshire Compact to give at least 12 weeks notice of changes to the grants programme and level of funding. Also that the revised grants programme be publicised on the Council's web site, through the appropriate media and by contacting organisations on the Council's VCS database.
- (p) That monitoring should continue on a six monthly basis for those organisations in receipt of core funding and that the grants officer should continue to carry out an annual review meeting with each of the organisations funded. For one year grants, monitoring should be completed at the end of the funding agreement.

There would be no additional resource implications as a result of the above recommendations. It was proposed that the total level of grant funding for 2017/18 should be met from within the existing grants budget and the money raised through the Vale Lottery. Subsequent reductions were anticipated.

The Finance and Services Scrutiny Committee had considered the Cabinet report on the previous evening and Cabinet heard from the Chairman of that Committee that it's Members were supportive of the proposed revisions to the Council's voluntary and community sector grants programme. The Scrutiny Committee had expressed some concerns about the future sustainability of the 3 Community Centres that would be moved to another budget area and the Cabinet Member for Leisure, Communities and Civic amenities explained that a separate review of Community Centres would be undertaken in due course.

The Scrutiny Committee had also been supportive to the revised programme being opened up to new organisations to apply, and had asked that this be communicated widely by the Council.

After careful consideration of the Cabinet report, it was

RESOLVED –

That approval be given to the revisions to the Council's voluntary and community sector grants programme as outlined above.

4. RESILIENCE STRATEGY

AVDC had legal duties under the Civil Contingencies Act, 2004 to:-

- Promote business continuity (BC) in the local community of Aylesbury Vale.
- Maintain plans and readiness in the event of a major incident being declared and including in its own BC arrangements adequately trained and competent staff. (The Cabinet report included examples of events requiring a business continuity response).

BC arrangements were used to bridge the gap between the initial service levels and the restoration when a temporary situation was resolved or the disaster recovery plan was implemented. "Resilience meant an integrated approach to emergency planning and business continuity and was one of the organisation's most significant risks. The Council had separate IT disaster recovery plans managed through IT together with plans to make the Council more resilient against cyber attack.

AVDC was working to the standards set by the international standard for business continuity (ISO 22301), specifying the requirements for a management system to protect against, reduce the likelihood of, and ensure the business recovers from disruptive incidents. There were still no plans to acquire external accreditation.

The document attached as an Appendix to the Cabinet report and posted with the agenda on the Council's website, was the first Council-wide resilience strategy. With recent criticisms of AVDC's response to flooding and the need to demonstrate appropriate preparedness following Thames Valley Local Resilience Forum (TVLRF) commissioned reviews, this strategy provided for better resource planning. AVDC was a member of the TVLRF and was a piece of a complex jigsaw that could collectively fail in an emergency if any one or more organisation(s) was not adequately prepared or resourced.

It was reported that AVDC officers had participated in TVLRF training and exercising around “marauding terrorists”, “prevention of violent extremism” and “cyber crime”. The TVLRF identified the risk profile in line with Central Government and facilitated a number of workshops enabling closer working with partners in other category one responders.

The Council was engaging with the community to promote community resilience and examples of such engagement included Buckingham, Ashendon and Waddesdon. Progress had also been made in implementing the actions identified in previous reports to Members:-

- The scope for BC was set at 4 weeks, allowing for full service restoration to be planned.
- Service continuity arrangements had been updated on an annual basis until 2014/15. Compliance was self reported in the annual statement of assurance and needed review following the “lift and shift” process.
- Expenditure had been made available to facilitate training and exercising, and the incorporation of business continuity into the Council’s emergency plan.

The strategy reflected the fact that although resilience was co-ordinated through one officer, much of the work should be carried out elsewhere within the Council. There was an ongoing need to periodically train and exercise staff within the context of the emergency plan. This had been enabled through the use of officers within other category one responders. The Council supported large events such as the British Grand Prix at Silverstone and was part of their major incident plan.

The Emergency Planning and Business Continuity manager would lead the development of an action plan. The majority of the work could be delivered within existing resources but there might be a need for some project funding (approximately £5,000) to be made available to deliver certain elements of the programme. Where project funding was required, this would be sourced through the normal Council mechanisms, with the support of the relevant Sector Lead.

The Finance and Services Scrutiny Committee had considered the Cabinet report on the previous evening and Cabinet heard from the Chairman of that Committee that it’s Members were supportive of the Resilience Strategy 2016-20 and associated work plan being adopted. The Scrutiny Committee had also asked that when the annual report on resilience was made to Cabinet that it also be reported to the Finance and Services Scrutiny Committee.

After careful consideration of the Cabinet report, it was

RESOLVED –

That the Resilience Strategy and associated work plan be endorsed.

5. FINANCIAL REGULATIONS

The Council’s Constitution requires Financial Regulations to be reviewed every 5 years. The review of the current Regulations has been delayed by the introduction of a new financial management system and it was essential that the revised Regulations reflected operational requirements of the new system. The Financial Regulations and Financial Procedures had now been examined with the assistance of external professionals to ensure that they enshrine best practice. Copies of each of the revised documents were

appended to the Cabinet report and were available for inspection on the Council's website as part of the agenda for this meeting.

The revised Regulations reflected also current organisational practices and reinforced the shift to managers being responsible for their own budgets, whilst simultaneously clarifying the role of the Strategic Finance Team. In summary, most of the changes reflected updated custom and practice and external guidance, or reflected the new approaches following the introduction of the new corporate finance system. Members' attention was drawn in particular to the following:-

Virement Limits: These were the authorisation limits that certain categories of manager or meeting could authorise in terms of moving funds between cost centres within the Council's accounts. The table set out below showed the differences between the current and proposed levels in the Revised Regulations. The increase in the levels had ben benchmarked against other councils and now leant towards the more commercially focused end of the spectrum, allowing greater flexibility in being able to move funds around cost centres to reflect changing circumstances throughout the year.

Who	AVDC (existing)	AVDC (proposed)
Budget Manager	<£10K	<£10K
Senior Manager	<£50K	<£100K
Cabinet	£100 - £150K	£100 - £250K
Council	>£150K	>£250K

Performance Management: Within the Regulations and the Procedures there was a renewed emphasis and reference to the performance management at all stages of the financial system (budget manager up to the corporate level). This reflected the growing importance of these issues on the Council as it moved further into addressing the challenges within the Medium Term Financial Plan.

Appendix A – paragraph 5.01 – that this paragraph would be updated to state that the Audit Committee (rather than full Council) was responsible for approving the statutory annual statement of accounts.

Appendix E – paragraph 23 – that the sub-paragraph numbering would be updated, which would have no impact on the reported external arrangements.

The Finance and Services Scrutiny Committee had considered the Cabinet report on the previous evening and Cabinet heard from the Chairman of that Committee that it's Members were supportive of the proposed revisions to the Council's Financial Regulations.

The Scrutiny Committee had also asked that when AVDC owned companies started reporting on their financial performance against an annual business plan agreed with the Council, that this financial performance information be included with the Quarterly Performance Digest information reported to the Finance and Services Scrutiny Committee.

After careful consideration of the Cabinet report, it was

RESOLVED –

- (1) That Council be recommended to adopt the revised Financial Regulations (subject to the 2 minor amendments at Appendix A (paragraph 5.01) that the Audit Committee was responsible for approving the statutory annual statement of accounts and to the revised numbering at Section 23 of Appendix D).
- (2) That Council be recommended to give delegated authority to the Director with responsibility for finance, after consultation with the Cabinet Member for Finance, Resources and Compliance, to make minor changes from time to time to reflect changes in operational arrangements.

6. AYLESBURY VALE BROADBAND (AVB) - DIRECTORS

In April, 2015, the Council had approved the business case for the formation of Aylesbury Vale Broadband (AVB) to roll out super fast broadband to villages within the Vale. The first stage had been a pilot in North Marston and Granborough which had resulted in further funding of £500,000 to continue the expansion to other villages.

The company was structured on the basis that AVDC was the majority shareholder (95%) and (5%) “Ironic Thought” who had been the lead in managing the project. The Shareholder Agreement stated that no dividends were to be paid to any of the shareholders. The only time the shares could be realised was upon sale of the company. There were 4 directors – three from AVDC and one from “Ironic Thought”.

It was reported that for the past twelve months “Ironic Thought had been responsible for the founding, network roll out and day to day running of AVB on a consultancy basis. The role of “Ironic Thought” within AVB had initially been seen as part time as part of the pilot and on this basis a consultancy fee per month had been agreed, which since April had increased to reflect the additional work.

AVB was now expanding its ultra fast fibre network to other villages in the Vale. It had been announced recently that Swanbourne and Oving were the first villages included in AVB’s expansion. Given the increased demands on staff time as a result of this expansion, the strategic importance of “Ironic Thought’s” role to AVB and the risk the company currently faced (due to the transitory nature of consultancy), it was considered to be in AVB’s best interest for the consultancy arrangement to be turned into a paid employment role of the managing director. This move would provide the company with much needed stability as it continued its current growth trajectory.

As the company grew, there would also be the need to employ further staff and therefore having a Managing director as an employee who would provide the leadership and management of those staff as it grew would be essential. The Shareholders Agreement stated that the remuneration terms of directors were to be a reserved matter unless approved under the business plan. It was felt that an annual salary of £60k would be appropriate and that any annual pay rise should be a decision for the AVB Board. AVB had funding in place to ensure any financial obligations, as a consequence of employing a managing director, could be met whilst still allowing the company to implement its expansion plans. A fully revised business plan and set of accounts would be reported to Cabinet in September, 2016 (and to the Finance and Services Scrutiny Committee in October, 2016).

The Finance and Services Scrutiny Committee had considered the Cabinet report on the previous evening and Cabinet heard from the Chairman of that Committee that it’s Members were supportive of the permanent appointment and the proposed remuneration terms for the Managing Director of Aylesbury Vale Broadband.

The Scrutiny Committee had raised some questions about AVB's operation but were comforted that this level of scrutiny was being undertaken by the Economy and Business Development Scrutiny Committee.

RESOLVED –

- (1) That approval be given to the permanent appointment of the Managing Director of Aylesbury Vale Broadband with a salary of £60K per annum.
- (2) That delegated authority be given to the AVB Shareholder representative to determine the terms and conditions of the appointment.
- (3) That any further changes to the salary and terms and conditions be the responsibility of the AVB Board.

7. NOVAE CONSULTING UPDATE

In April, 2015, the Council had agreed to the establishment of a trading company (subsequently registered as Novae Consulting Ltd) to deliver consultancy services to businesses on a commercial basis (in accordance with the business case submitted and approved).

The company had been registered on 31 July, 2015 and the initial business case had been based on selling consultancy services relating to energy and sustainability. In particular, the focus was on providing audits to meet the new ESOS legislation (energy savings opportunities assessments), which applied to companies employing over 250 staff. The legislation required a mandatory audit of energy and transport to have been carried out by an ESOS assessor and submitted to the Environment Agency by 5 December, 2015. However experience had shown that not all companies had taken on this requirement by the deadline.

AVDC had experts in this field and the basis of the company was to charge commercial rates for the work to businesses and then recharge the AVDC staff time back to AVDC, thereby providing an income stream for the Council. An initial loan of £10k had been approved but had not been used due to the low take-up of ESOS assessments, and it was anticipated that costs would be met from revenue received.

In December, 2015, the Council set up another trading company – Vale Commerce Ltd – which had a brand called “Incgen”, whose purpose was to provide services to businesses. The remit of Vale Commerce was much broader than Novae and would be in a position to source services, which included consultancy, from both within AVDC and also externally through the “Incgen brand. The attraction of this to businesses had already been acknowledged as a result of the successful launch of “Incgen” on 15 June, 2015, where over 50 local businesses attended and provided feedback on what services they would be interested in from “Incgen”.

An internal review had been undertaken to consider whether it was beneficial to keep Novae Consulting Ltd operating on the same basis or whether there were advantages in transferring the consultancy work to “Incgen”. The review had concluded that the work should be transferred to “Incgen”. This route would provide a much higher opportunity to address the needs of businesses and generate a higher return for the company (Vale Commerce).

There would be further operational overhead savings including:-

- Officer and director time at Board meetings.

- Annual insurance costs (£2,700)
- Annual fees for accountancy services (£1,560)

As Novae Consulting had not been trading for a full year and had not yet become an established brand, the transition to “Incgen” would not create any issues. Existing clients and prospective clients Novae were talking to would be advised of the changes and at the same time be invited to become members of the “Incgen Entrepreneur Club”. The review had also recommended keeping Novae Consulting Ltd as a dormant company for one year before reviewing whether to close down the company completely. This would provide the Council with an opportunity, if it should arise, to re-purpose the company where Vale Commerce was not a suitable vehicle.

The Finance and Services Scrutiny Committee had considered the Cabinet report on the previous evening and Cabinet heard from the Chairman of that Committee that it's Members were supportive of the proposed way forward for Novae Consulting Limited.

RESOLVED –

- (1) That at the end of the first trading year for Novae (31 July, 2016), the company be made dormant for one year and all future consultancy work offered to businesses using AVDC staff be routed through Vale Commerce Ltd under the “Incgen” brand.
- (2) That a further review be undertaken of the requirement to keep the Novae Consulting Company registered at Companies House, before the end of the second accounting year.