

**Minutes of a meeting of the
FINANCE PANEL (PANEL OF THE SCRUTINY
COMMITTEE)
on Wednesday 16 January 2019**

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Committee members:

Councillor Fry (Chair)

Councillor Altaf-Khan

Councillor Munkonge

Officers:

Nigel Kennedy, Head of Financial Services

Anna Winship, Management Accountancy Manager

Stefan Robinson, Scrutiny Officer

1. Apologies

Apologies were received on behalf of Councillors Smith, Corais and Simmons.

2. Declarations of interest

There were no declarations of interest.

3. Notes of previous meeting

The Panel approved the notes of the previous meeting.

4. Recommendation from the Companies Scrutiny Panel

The Panel agreed to schedule an item concerning the following recommendation, which was referred to the Finance Panel by the Companies Panel:

To look carefully at Oxford City Housing Limited's proposals and the Council's own housing programme, reviewing proposed borrowing and the impact on long term finances for both the Council and the Housing Revenue Account.

5. Council Tax Reduction Scheme 2019/20

James Pickering, Welfare Reform Manager, explained that proposals to change the Council Tax Reduction Scheme (CTRS) this year were small. Only two proposals for change to the Scheme were submitted for public consultation. Both proposals related to reviewing measures which were introduced this financial year; the income band scheme for residents on Universal Credit, and the minimum income floor for self-employed people.

The report proposed that the income bands, for those who benefit from Council Tax discounts, should be up-rated annually in line with changes to the National Minimum Wage and the Oxford Living Wage, and that the benefit cap be uprated in line with inflation.

The Panel asked what aspects of the CTRS were unique to Oxford. It was explained that Oxford City Council was relatively generous in its discount offering when compared to other local authorities. There were no surprises in the responses received to the public consultation. The Panel were content to note the contents of the report, which would go to the City Executive Board on 22 January 2019.

The Panel asked that the Department for Workplace Pensions spreadsheet concerning the social value formula be circulated to members, and that James Pickering be invited back to answer any questions in the future if required.

6. Treasury Management Mid-Year Report

Nigel Kennedy, Head of Financial Services, provided an overview of the report. He explained that interest rates were expected to rise marginally in 2019, but that the UK's exit from the European Union may prompt volatility in the rates. It was highlighted that borrowing from the Public Works Load Board was forecast to increase in the coming years to finance the Council's Capital Programme. This included providing loans to the Council's Housing Company.

The tendering process for a treasury advice service had been completed, and Link Asset Services had been reappointed as the Council's advisor, and the contract would last for 3 years. In May 2018, the Council agreed to extend its existing loan to the Low Carbon Hub, which was repaid in November 2018.

The CCLA and Lothbury property investment funds had performed well in recent years, and the Panel asked if they could have more information on the breakdown of their investment portfolios. For example, residential, retail and office investment diversification. In relation to a recent Council Motion, Nigel was still awaiting a response from Barclays Bank concerning the Tar Sands issue.

In response to questions, Nigel explained that the Brexit vote had an impact on the value of the CCLA and Lothbury Funds, but he could not say whether the article 50 implementation would further affect the value of the investment portfolio. Answering further questions, it was explained that in comparison to other authorities in our benchmarking group, Oxford City Council had a high level of returns from its investments, when including the Council's property investments.

Nigel Kennedy highlighted that the £5 million invested in the National Homelessness Property Fund was, following discussions with the external auditors, now classified as a service investment. The Panel asked for further information regarding how the fund (which provides relatively low direct returns to the council) benefitted the Council's finances in other areas; specifically, from moving people out of temporary accommodation.

The panel resolved to note the contents of the report.

7. Work plan

The Panel noted their Work Plan, which included the following items at their next meeting on 30 January:

- The Capital Strategy
- The Treasury Management Strategy
- Council Tax Exemption Monitoring

8. Future Meeting Dates

The Panel noted their future meeting dates:

30 January 2019
4 April 2019
1 July 2019
5 September 2019
7 November 2019

The meeting ended at 19:30