

Minutes of a meeting of the Finance and Performance Panel (Panel of the Scrutiny Committee) on Thursday 7 July 2022

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Committee members present:

Councillor Fry (Chair)

Councillor Jarvis

Councillor Latif

Officers present for all or part of the meeting:

Nigel Kennedy, Head of Financial Services

Alice Courtney, Committee and Member Services Manager (Interim Acting)

1. Apologies

None.

2. Declarations of Interest

None.

3. Finance and Performance Panel Work Plan

Cllr Latif joined the meeting.

The Panel noted the Work Plan and requested that the Scrutiny Officer seek an alternative date for the Panel meeting in September 2022, due to availability of the Chair.

4. Medium Term Financial Strategy 2023-24 to 2026-27

Nigel Kennedy, Head of Financial Services presented the report, which set out the budget setting strategy for the forthcoming Medium Term Financial Plan 2023-24 to 2026-27. In response to questions, the Head of Financial Services confirmed that:

- A report setting out the lessons learnt from the QL system failure was being prepared and would be presented to the Audit and Governance Committee in due course. The Council was approximately 6 weeks behind schedule on getting the QL system back up and running as intended, but it was anticipated it would be 'business as usual' in the first week of August 2022.
- He would provide a list of all non-statutory services and their budgetary costs, together with information about external funding where relevant. He added that he expected the £5.5m budget deficit to widen as a result of increased costs (e.g. increased energy costs).

- There was limited scope to draw on reserves to plug the budget deficit. He added that no further COVID-19 related support was expected from central Government.
- He would produce a report for the Finance and Performance Panel related to the cost-benefit of the Council's transformation programme. This would include a list of savings which had already been achieved and the savings anticipated from current and future work to ensure that savings were not being counted more than once.
- No additional dividend was expected from OCHL, therefore no assumptions were included around that. The last OCHL dividend was expected in 2025/26 and any dividend beyond then was uncertain – however the position would be clearer in September when OCHL produced the next iteration of its Business Plan.
- Any income from OxWED LLP or South Oxford Science Village LLP was not included in the current strategy; it was too early to make any assumptions as those ventures were still being developed.
- The rise in corporate costs was as a result of an increase in Minimum Revenue Provision (MRP) due to increased lending; however the position was an improvement on the original assumptions as MRP seemed to focus more on commercial loans rather than all loans.
- No assumptions were included in the strategy around increases to utilities costs, therefore the budget deficit was expected to increase.
- He would explore the presentation of the information in the tables – particularly whether it could be highlighted which categories certain aspects (e.g. utilities and salaries) came under and the nature of risk associated with them.
- There had been no news from the Government related to fairer funding.
- The Council was fairly on track to achieve the stated efficiencies. The Panel requested the Head of Corporate Property be invited to the next meeting to present a report on income from Council assets.
- He would request a case study on the savings achieved by implementing renewable energy sources at Blackbird Leys and Hinksey Leisure Centres to get a sense of the Council savings that could be achieved by using solar panels; the Council had recently invested in a solar farm.
- The current provision for bad debt was £6.8m for commercial lets.
- Town Hall lettings income was getting back to normality but was still not at pre-pandemic levels; it was forecast that pre-pandemic levels would be achieved next year.
- A report on park and rides was due to be considered by Cabinet in July 2022.
- He would produce a report on park and ride/car parking income to be presented at a future Panel meeting.
- The formula for increasing social housing rents was CPI +1%, which would be modelled as part of the budget setting process, although it was unlikely that the agreed rent increase would be as high as this and the Government was thought to be considering a cap.
- The price for the purchase of HRA properties was fixed at the time of signing the contract with OCHL.

The Chair thanked the Head of Financial Services for attending to present the report.

The Panel noted the contents of the report.

ACTION:

- **Head of Financial Services** to provide a list of all non-statutory services and their budgetary costs during the Budget process, together with information about external funding where relevant.
- **Head of Financial Services** to incorporate within future monitoring reports the cost-benefit of the Council's transformation programme, to include a list of savings already achieved and savings anticipated from current and future work.
- **Scrutiny Officer** to invite the Head of Corporate Property to the next Panel meeting to present a report on income from Council assets.
- **Head of Financial Services** to liaise with the Head of Corporate Strategy to present information during the Budget process on the savings achieved by implementing renewable energy sources at Leisure sites and the potential savings that could be achieved by using solar panels or other invest to save initiatives in the area.
- **Head of Financial Services** to produce a report on park and ride/car parking income to be presented at a future Panel meeting.

5. Scrutiny Performance Monitoring

The Panel considered the report, which had been produced to support it in selecting the Key Performance Indicators (KPIs) it wished to monitor over the 2022/23 municipal year.

The Panel:

- **Noted** the end of year performance report for KPIs selected by the Finance and Performance Panel in the 2021/22 municipal year.
- **Agreed** to have Scrutiny Performance Monitoring as a standing item on the Finance and Performance Panel agenda, where written questions or invitations to relevant officers to attend the next meeting could be agreed, and previous written responses considered.
- **Agreed** to confirm the list of KPIs it wished to continue to monitor in 2022/23 via email.

ACTION:

- **Scrutiny Officer** to circulate Appendix A of the report to the Panel for agreement on which KPIs should be taken out for 2022/23 Scrutiny monitoring.

6. Dates of Future Meetings

The dates of future meetings were noted.

The Panel requested that the Scrutiny Officer seek an alternative date for the Panel meeting in September 2022, due to availability of the Chair.

Cllr Jarvis advised that he was unavailable for the Panel meeting scheduled for 07 December 2022.

The meeting started at 6.00 pm and ended at 7.35 pm

Chair

Date: Monday 5 September 2022

When decisions take effect:

Cabinet: after the call-in and review period has expired

*Planning Committees: after the call-in and review period has expired and the formal
decision notice is issued*

All other committees: immediately.

Details are in the Council's Constitution.