

Minutes of a meeting of the Finance and Performance Panel (Panel of the Scrutiny Committee) on Monday 5 September 2022

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Committee members present:

Councillor Fry (Chair)

Councillor Jarvis

Officers present for all or part of the meeting:

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

Nigel Kennedy, Head of Financial Services

Anna Winship, Management Accountancy Manager

Laura Bessell, Benefits Manager

Richard Doney, Scrutiny Officer

7. Apologies

Apologies received from Councillor Latif.

8. Declarations of Interest

None.

9. Finance and Performance Panel Work Plan

The Scrutiny Officer advised the Panel that the Forward Plan had been updated since publication of the agenda. The Panel accepted the officer recommendation that the Budget 2023/24, the Integrated Performance Report for Q2, and the Treasury Management Mid-year Report be considered at the Panel meeting on 07 December 2022.

The Panel requested that a briefing note be supplied by the Head of Financial Services and the Head of Corporate Strategy to the Panel presenting information on the savings achieved by implementing renewable energy sources at leisure sites and the potential savings that could be achieved.

The Panel further requested that:

- The Head of Financial Services produce a report on park and ride/car parking income to be presented to the Panel.
- The Head of Corporate Property brief the Panel on corporate debts before the work of the Budget Review Group begins.

The Scrutiny Officer advised that he would shortly consult members and officers on the viability of proposed meeting dates for the Budget Review Group.

10. Notes of Previous Meeting

The Panel agreed the notes of its meeting on 07 July 2022 as a true and accurate record of its discussion.

The Panel agreed to amend the order of the agenda to take Council Tax Reduction Scheme 2023/24 next; followed by Treasury Management Annual Report 2021/22; then Integrated Performance Report Q1; and then return to the remainder of the agenda as listed.

11. Integrated Performance Report Q1

Cllr Ed Turner, Cabinet Member for Finance and Asset Management, joined the meeting and presented the report.

Cllr Turner explained that the scale of the pressure of energy costs and inflation rates for the Council could not have been anticipated. He also highlighted that the Council would be facing financial pressures going forward and that it was hoped greater clarity would be achieved once the new Prime Minister's Cabinet was appointed.

In response to questions, Cllr Turner advised that the Council had been working with the District Councils Network to draw the attention of Government to the pressures that councils were facing, particularly highlighting the erroneous assumption that councils had been able to increase their reserves rather than draw on them;

Nigel Kennedy, Head of Financial Services, and Anna Winship, Management Accountancy Manager, were also invited to comment on the report.

The Head of Financial Services explained that an increase of up to £1.0m was anticipated for utilities costs in the next 12 months.

The Management Accountancy Manager reported that ODS had declared a dividend for 2021/22 of £600k which would be received in the current financial year and would be reported as additional income.

In response to questions, the Head of Financial Services reported that there had been significant progress and that the problems with QL were almost at an end.

The Head of Financial Services also explained that the £17.0m slippage on Regeneration Property related to property transactions. Recent changes in PWLB borrowing rules forbade purchase of property solely for financial gain: property transactions were required to be of a regeneration nature. Given these restrictions, suitable properties which were in line with the new criteria for the total amount of budget had yet to be identified, resulting in slippage. The Head of Financial Services explained that there were projects under discussion that gave him confidence for future years spend. The Panel noted that, over the past three years, the capital budget for such purposes had decreased from an initial £50.0m.

The Panel requested that the Scrutiny Officer ask the Head of Business Improvement for further information regarding indicator BIC025: *Reduction of number of face to face visits*, to be received at a later Panel.

The Chair thanked the Cabinet Member, the Head of Financial Services, and the Management Accountancy Manager for attending.

The Panel noted the contents of the report.

12. Treasury Management Annual Report 2021/22

Nigel Kennedy, Head of Financial Services, presented the report which set out the Council's Treasury Management activity and performance for the financial year 2021/22.

In response to questions, the Head of Financial Services advised that:

- The 'green bond' at Barclays was not currently invested in because the yield did not warrant it;
- Whilst higher interest rates on treasury investments were beneficial to the Council, the impact of rising interest rates on OX Place were of concern and would undoubtedly impact surpluses in the company and hence the dividend return to the Council;
- Treasury investments were ordinarily made for six months at a time and that the variation in interest rates of 0.8%-2.0% indicated the level of increase which was anticipated to continue;

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

The Panel noted the contents of the report.

13. Council Tax Reduction Scheme 2022/23

Laura Bessell, Benefits Manager, presented the report which set out proposals for consultation on changes to the Council's Council Tax Reduction Scheme for 2023/24 and answered the Panel's questions.

The Benefits Manager explained that the paper is fundamentally identical to that for 2022/23 and that, for 2022/23, 400 consultation responses had been received from a wide variety of stakeholders and that it was hoped at least a similar level of engagement would be achieved this year.

The Benefits Manager explained that the Localism Act dictated the consultation period and that the Council also consulted Oxfordshire County Council and the Thames Valley Police & Crime Commissioner. The Benefits Manager also advised the Panel that the scheme sought to simplify the administrative burden of Council Tax Reduction in a way that ensured cost effectiveness.

The Chair thanked the Benefits Manager for attending to present the report.

The Panel noted the contents of the report.

14. Scrutiny Performance Monitoring

The Scrutiny Officer reported that updates had been received to:

- BI038 (commentary was added to say that “This figure represents the last 12 months and equates to 94 leavers. This average for annual turnover is now back at pre-pandemic levels.”);
- CH001: a correction to note that the June actual was 5.45 and should be marked as green
- RS005: commentary added to say that “This is tracking indicator that we use to measure the reactive demand for the service. The numbers are wholly dependent on tenants contacting the service who are at risk of eviction in the PRS.”
- CS025: The June actual was updated to 35.87% and commentary added to say that “NDR collection remains above target, we are looking to book our first magistrates court shortly.”

The Panel expressed its concern that the number of rough sleepers was higher than the target and requested that the Scrutiny Officer contact the Head of Housing Services to establish how many of the 40 people rough sleeping had no recourse to public funds.

In response to questions on FSC020, the Management Accountancy Manager explained that no bids had been submitted so far this year but that she anticipated that some currently being prepared would be reported in the next quarterly report.

The Panel requested that the Scrutiny Officer work with officers so that, going forward, a column be included in the report to show the data for the relevant month in the preceding year so that a comparison may be more easily drawn. The Panel also requested that there be greater consistency in the reporting data so that either numbers or percentages were used, rather than a mixture of the two. The Panel suggested that brief commentary was preferred and that the key indicator was progress: even if the target had not been achieved, the Panel wanted to see if progress was being made towards it.

The Panel noted the contents of the performance monitoring update.

15. Dates of Future Meetings

The Panel noted the dates of future meetings and requested that the Scrutiny Officer establish the viability of proposed meeting dates for the Budget Review Group.

The meeting started at 6.00 pm and ended at 7.30 pm

Chair
December 2022

Date: Wednesday 7

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.

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