

Minutes of a meeting of the Finance and Performance Panel (Panel of the Scrutiny Committee) on Wednesday 6 September 2023

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Committee members present:

Councillor Fry (Chair)

Councillor Jarvis

Councillor Smowton

Officers present for all or part of the meeting:

Bill Lewis, Financial Accounting Manager

Anna Winship, Management Accountancy Manager

Alice Courtney, Scrutiny Officer

Also present:

Councillor Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management

Apologies:

No apologies were received

11. Declarations of Interest

None.

12. Chair's Announcements

The Chair informed the Panel that a series of written questions relating to the items on the agenda had been produced prior to the meeting, which had been circulated to Panel Members and officers earlier in the day. The intention was that they would be submitted to officers for written responses after the meeting, together with any additional questions asked at the meeting which required a written response, and answers would be published as a supplement to the notes of the meeting.

13. Notes of the previous meeting

The Panel agreed the notes of the meeting held on 26 January 2023 as a true and accurate record.

14. Finance and Performance Panel Work Plan

The Panel considered the Work Plan.

The Scrutiny Officer advised that the Work Plan was similar to that of previous years. The Panel was informed that, following discussion with the Chair of the Scrutiny Committee and the Chair of the Finance and Performance Panel, it was intended that the Integrated Performance Report for Q4 2022/23 would be considered by the Panel at its next meeting in December after it had been considered by Cabinet in November. This was unusual, but the consensus was that it would not be a decision report, could usefully feed into Budget discussions and would free-up space on the already busy November Scrutiny Committee agenda. The Scrutiny Officer added that, due to the timing of the report and the next Panel meeting not being aligned, the Council Tax Reduction Scheme 2024/25 Cabinet report would be considered by the Scrutiny Committee in November.

The Panel noted that discussion on the Scrutiny Performance Monitoring standing item for the Work Plan would be considered later in the meeting; and requested that the Scrutiny Officer engage with officers to explore the possibility of adding a 'Social Value/Impact in Procurement' report to the Work Plan, as the last update was provided to the Panel on 02 August 2021.

The Panel agreed the Work Plan as set out in the agenda pack.

15. Integrated Performance Report for Q1 2023/24

Cllr Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management introduced the report, setting the context that the Council's position reflected the current national financial climate. He added that the Council's single biggest challenge was around Temporary Accommodation costs, which was an issue nationally rather than being unique to Oxford; and there were also issues around the cost of utilities and pay negotiations which would need to be factored into the Council's Medium Term Financial Strategy. Cllr Turner stated that the Council was preparing for difficult times ahead, unless a number of issues were addressed by the Government.

In response to questions, the Panel was advised that:

- In relation to the choice between acquisition and leasing of properties, where the Council purchased a property outright there were sometimes implications as to whether or not the property could sit in the Housing Revenue Account (HRA). A report was being prepared on this matter and it was confirmed that this would be shared with the Panel once available.
- It was difficult for the Council to forecast anticipated savings as a result of the installation of renewable energy sources at Leisure Centres at this early stage.
- Slippage within the Capital Programme was not intentional; in terms of budgeting, officers explained that work was required to better align Capital budgets with the cost of delivery.
- Cllr Turner and officers would go away and reflect on if/how the Council could ensure a more realistic Capital Programme in terms of deliverability and timescales.
- It was expected that the Council would begin receiving rent for the letting of St Aldate's Chambers in 2024/25.
- The Great Estates Programme had been paused as it involved a substantial amount of money and work was required to integrate the programme with Tenancy Services and the wider work of the Council before it was recommenced.

- The Council was taking forward opportunities to further exploit the functionality within its Housing Management System.
- There was currently no mechanism to rank local authorities in terms of financial stability; there were conversations ongoing between the Local Government Association and the Government to develop an index to check Council resilience nationally.

The Panel requested:

- A report to its next meeting from the Head of Financial Services setting out the implications of the series of local authority Section 114 statements which had been issued recently, to include a sense of how Oxford compared to those local authorities and others across the country.
- A report to a future meeting from the Procurement Manager to explain the realism of the proposed Procurement savings in the current financial year.

The Panel noted the contents of the report; no recommendations were agreed.

Cllr Turner left the meeting and did not return.

16. Treasury Management Annual Report 2022/23

The Panel considered the report and asked a range of questions relating to the information contained in Appendix 1 to the report (which was exempt from publication); the scale of the Council's direct property investments versus its investments in Property Funds; and the Council's investment in green deposits.

The Panel requested that the information contained within the exempt Appendix 1 to the report be included as a standing item for future Panel meetings, to enable the Panel to monitor progress.

The Panel noted the contents of the report; no recommendations were agreed.

Anna Winship, Management Accountancy Manager and Bill Lewis, Financial Accounting Manager left the meeting and did not return.

17. Scrutiny Performance Monitoring

The Panel considered the report, which had been produced to support it in selecting Key Performance Indicators (KPIs) to monitor over the 2023/24 municipal year.

The Scrutiny Officer provided the following updates to the information contained in the appendices:

- Appendix B – BV008: the information provided indicated that only 14.92% of invoices had been paid on time by the Council; however, the figure provided mistakenly related to the number of invoices paid late. The percentage of invoices paid on time for the year to date was 92% (April), 95% (May) and 95% (June).
- Appendix A – FSC020: the result for the end of 2022/23 was missing; it should have stated £0, as the Finance Team had not had any discretionary funding reported to it in that financial year.
- Appendix B – FN034: the target for June 2023 was £54,999 but the actual was £30,949, approximately £25,000 below target; the target was split as a flat average over the course of the financial year, but it was actually an end of year target and invoices were raised at different times throughout the year based on

work completed for external clients and contract billing frequencies. As a result, the value would never match the profiled monthly accumulation.

- Appendix B – FN036 – the target for June 2023 was £550,000 but the actual was £341,129, approximately £210,000 below target; similarly to FN034 above, the target was an end of year target; the Counter-Fraud Team work plan addressed different risk types throughout the year and although a deficit would show at certain times, when certain projects were tackled the outcomes in those areas would spike and, more often than not, overtake the profiled monthly performance.

The Scrutiny Officer advised the Panel that the KPIs were being reviewed and that more information would be made available to the Panel in due course; it was anticipated that the Panel would have the opportunity to input into the work at the appropriate stage. The Panel noted that it would be useful if, in future, some KPIs were presented in different ways, rather than being reduced to a simple number, as this did not always show an accurate picture.

The Panel requested that the Scrutiny Officer submit the written questions circulated before the meeting to officers for written responses, to be considered at the next meeting.

The Panel:

- **Noted** the end of year performance report for KPIs selected by the Finance and Performance Panel in the 2022/23 municipal year.
- **Noted** the Q1 2023/24 performance report for KPIs selected by the Finance and Performance Panel in the 2022/23 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 can be agreed, and previous written responses considered.
- **Agreed** to continue monitoring the KPIs selected in 2022/23 during the 2023/24 municipal year, until such a time as the work being undertaken in respect of KPIs progressed further.

18. Dates of future meetings

The Panel noted the dates and times of future meetings.

The meeting started at 6.10 pm and ended at 7.38 pm

Chair

Date: Wednesday 6 December 2023

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.