

Minutes of a meeting of the Scrutiny Committee on Tuesday 6 February 2024

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Committee members present:

Councillor Pegg (Chair)	Councillor Rowley (Vice-Chair)
Councillor Altaf-Khan	Councillor Arshad
Councillor Corais	Councillor Diggins
Councillor Douglas	Councillor Jarvis
Councillor Rehman (for Councillor Aziz)	Councillor Smowton
Councillor Thomas	

Officers present for all or part of the meeting:

Nigel Kennedy, Head of Financial Services
Bill Lewis, Financial Accounting Manager
Alice Courtney, Scrutiny Officer
Lucy Brown, Committee and Member Services Officer

Also present:

Councillor Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management
Councillor Mark Lygo, Cabinet Member for Safer and Inclusive Communities

Apologies:

Councillors Aziz and Fry sent apologies.
Substitutes are shown above.

78. Declarations of interest

There were no declarations of interest made.

79. Chair's Announcements

There were none.

80. Minutes

The Committee resolved to APPROVE the minutes of the meeting held on 16 January 2024 as a true and accurate record.

The Committee agreed to take agenda items 7, 8 and 9 next on the agenda, and return to items 5, 6, 10 and 11 to make the best use of officer and Cabinet Member time.

81. Capital Strategy 2024/25 to 2027/28

Bill Lewis, Financial Accounting Manager introduced the report from the Head of Financial Services which sought Cabinet's recommendation to Council for the approval of the Capital Strategy 2024/25 to 2027/28. He highlighted the changes made to the Capital Strategy at Appendix A which included up to date figures and references, and some minor changes to provide clarification, however advised that the document was fundamentally unchanged from the previous year.

Cllr Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management, advised that it was welcomed that any slippage of capital schemes was closely monitored by the Finance and Performance Panel to ensure that they were delivered in line with the Medium Term Financial Plan (MTFP).

Nigel Kennedy, Head of Financial Services attended the meeting to speak to the item and answer the Committee's questions.

During discussions, the Committee noted the following:

- The Head of Financial Services assessed all capital programmes put forward, which were primarily for regeneration purposes and/or supported the local economy. There was no external verification process regarding the declaration that the Council did not primarily invest in assets for financial return.
- The Head of Financial Services was required to submit an annual declaration to HM Treasury that the Council did not invest in assets primarily for financial return.
- The external auditors were charged with reviewing the Councils' accounts and if any irregularities were identified these would be reported to HM Treasury as required.
- The loans currently held with OX Place did not attract Minimum Revenue Provision (MRP) as provision for repayment had been assessed through the company's business plan.
- The dividends paid to the Council by the ODS Group were driven largely through efficiencies made, and their transformation project would support further efficiencies and increased competitiveness in the marketplace, and therefore further increase the dividend paid back to the Council.

The Committee resolved to make the following recommendation on the report to Cabinet:

1. That the Council clarifies whether the capital schemes which pre-dated the Council's net zero targets and therefore are not subject to the same zero carbon criteria jeopardises the Council's ambition to reach net zero by 2030.

82. Treasury Management Strategy 2024/25

Bill Lewis, Financial Accounting Manager, introduced the report from the Head of Financial Services which sought recommendation from Council to approve the Treasury Management Strategy 2024/25, Borrowing Strategy 2024/25, Minimum Revenue Provision (MRP) Statement, Investment Strategy 2024/25 and Treasury Management Scheme of Delegation. He highlighted that the only change to previous years' strategies were to the Council's Prudential Indicators following the revision of the CIPFA Treasury Management Code of Practice which had been revised in late 2022.

He also advised that the MRP Statement had been included as a separate appendix to enable changes to be reflected in the MRP Statement more easily following the outcome of the Department for Levelling Up, Housing and Communities consultation, which was anticipated in the not too distant future.

Nigel Kennedy, Head of Financial Services attended the meeting to speak to the item and answer the Committee's questions.

During discussions, the Committee noted the following:

- Table 3 identified the amount of interest charged for borrowing against the Housing Revenue Account through the Council's General Fund.
- The upper limit on fixed and variable interest rate borrowing and investment was shown as unbound so that flexibility could be achieved using the best interest rates available at the time.
- The projected interest rates had been incorporated into the Council's Medium Term Financial Plan (MTFP) and any risk was taken into account within the MTFP.
- Following the Finance and Performance Panel's recommendation that the level of non-specified investments should be reviewed, no changes had been made to the limit for non-specified investments in 2024/25, but this would be kept under review for future iterations of the Treasury Management Strategy.
- Where the Council was a passive investor in property investment funds and multi asset funds, it did not have direct oversight of the individual investors within these investments, due to the nature of the funds.
- The Council did not knowingly directly invest in businesses whose activities and practices posed a risk of serious harm to individuals or groups, or whose activities were inconsistent with the Council's mission and values, as per the Council's Ethical Investment Policy.
- The Council would take action with regards to any investments that had identified activities and practices that posed a risk of serious harm to individuals or groups.

The Committee resolved to make the following recommendation on the report to Cabinet:

1. That the Council reviews its investments in light of the conflict in Israel and Palestine and any associated human rights abuses with a view to assessing alignment with the Council's current Ethical Investment Policy.

83. Adult Exploitation

Cllr Mark Lygo, Cabinet Member for Safer and Inclusive Economies, requested that this report be deferred to a future Scrutiny Committee meeting as there was a more detailed update which the Committee could consider in due course.

The Committee resolved to defer consideration of this item to a future Committee meeting.

84. Work Plan and Forward Plan

The Committee noted the updated Forward Plan, which had been published as a supplement to the agenda.

The Committee reviewed the updated Work Plan set out in the agenda supplement and confirmed its agreement to consider the following reports at the March meeting:

- Thriving Communities Strategy Update
- Oxfordshire Food Strategy Action Plan
- Voluntary Adoption of the Socio-economic Duty
- Request for Exceptional Circumstances Relief from the Community Infrastructure Levy

The Committee noted that the following Cabinet items would be considered by Scrutiny Panels in March:

- Allocation of Preventing Homelessness Grant 2024/25 (Housing and Homelessness Panel)
- Integrated Performance Report Q3 2023/24 (Finance and Performance Panel)

The following reports were currently listed on the Work Plan for the April meeting:

- Oxford City Council's Corporate Business Plan Priorities 2024/25 and Progress of the 2023/24 Priorities
- Integrated Performance Report Q4 2022/23
- Tourism Review Group Update

The Committee noted that the deferred Adult Exploitation report was likely to be added to the Work Plan for the April meeting.

The Scrutiny Officer advised the Committee that any changes to the Forward Plan after this meeting but ahead of the March meeting may result in changes to the Work Plan, and if so, any changes would be agreed by the Scrutiny Officer in consultation with the Chair of the Scrutiny Committee.

85. Report back on recommendations and from Scrutiny Panel meetings

The Chair presented the report on recommendations.

The Committee noted that on 24 January 2024, Cabinet considered recommendations related to six reports, responses to which were set out in the agenda pack:

- Leisure Services Contract Award
- Draft Corporate Strategy 2024-28 for Consultation
- Private Rented Sector Regulation Policies – Results of Consultation
- DAHA Accreditation and Domestic Abuse Review Group Update
- Biodiversity Action Plan for Oxford City Council Parks and Nature Areas – September 2023 Review
- Retrofit

The Committee noted that the Scrutiny Officer had followed-up on one of the recommendations made in respect of the Leisure Services Contract Award, which related to Cabinet responding to the public address made at the January Committee meeting. No response had been circulated to date. The recommendation on the same

report related to the Committee receiving an update on arrangements established for effective monitoring of the Leisure Services Contract had been added to the list of suggestions for the 2024/25 Scrutiny Committee Work Plan.

In relation to the response to one of the Committee's recommendations on the DAHA Accreditation and Domestic Abuse Review Group Update report, the Committee noted a slight discrepancy between the update on the recommendations of the Domestic Abuse Review Group and the response to a recommendation made by the Committee in January related to Domestic Abuse training. The Committee requested that the Scrutiny Officer clarify this outside the meeting and report back to the Committee.

The Scrutiny Officer advised that the Finance and Performance Panel met on 22 January 2024. Four substantive items were considered which included the Council Tax Reduction Scheme 2024/25, HRA Rent Setting Report 2024/25, Corporate KPI Review presentation and the draft report of the Budget Review Group. The Panel made a number of recommendations in respect of the Corporate KPI Review item, which were in the process of being formalised before submission to Cabinet.

The Committee noted the update from the Finance and Performance Panel meeting.

86. Reports for approval

The Scrutiny Officer presented the report and recommendations of the Budget Review Group 2024/25 for approval for submission to Cabinet on behalf of Cllr James Fry, Chair of the Budget Review Group who had sent his apologies.

She advised that the Budget Review Group had met four times in January 2024 and produced a comprehensive report with nine recommendations to be presented to Cabinet and Full Council on 07 and 21 February 2024 respectively.

The Budget Review Group wished to record its thanks to officers of the Council for attending meetings and responding to the Review Group's questions.

The Committee resolved to approve the report and recommendations for submission to Cabinet.

87. Dates of future meetings

The dates of future meetings were noted.

The Committee noted that the meeting of the Scrutiny Committee scheduled for 11 April 2024 would be held via Zoom as an informal remote meeting due to the unavailability of a suitable room within the Town Hall.

The meeting started at 6.00 pm and ended at 7.00 pm

Chair

Date: Monday 4 March 2024

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.*