

Minutes of a meeting of the Finance and Performance Panel (Panel of the Scrutiny Committee) on Wednesday 4 September 2024

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Committee members present:

Councillor Fry (Chair)

Councillor Jarvis

Councillor Snowton

Councillor Yeatman

Officers present for all or part of the meeting:

Mish Tullar, Head of Corporate Strategy

Nigel Kennedy, Head of Financial Services

Alice Courtney, Scrutiny Officer

Also present:

Councillor Susan Brown, Leader of the Council and Cabinet Member for Partnership Working

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

Apologies:

No apologies were received

16. Declarations of Interest

None.

17. Chair's Announcements

The Chair informed the Panel that it was the Scrutiny Officer's final Finance and Performance Panel meeting before she left the organisation; the Panel thanked the Scrutiny Officer for her support and wished her all the best in her new role.

18. Notes of the previous meeting

The Panel agreed the notes of the meeting held on 18 July 2024 as a true and accurate record.

The Chair provided an update on matters arising as follows:

- Minute 4a – the Scrutiny Officer had contacted the Executive Director (Communities and People) and the Head of Financial Services to schedule in Scrutiny consideration of the 'options' report on the Strategic Review Across

Community Services and to seek confirmation of the timetable for the remainder of the review, but had not received any response.

- Minute 4b - the Scrutiny Officer had contacted the Executive Director (Communities and People) and the Head of Financial Services to schedule in Scrutiny consideration of the 'options' report on the Strategic Review of Services Provided by Oxford Direct Services and to seek confirmation of the timetable for the remainder of the review, but had not received any response.
- Minute 6 – the Scrutiny Officer had contacted the Executive Director (Development) and the Head of Financial Services requesting the simulation of what the capital and revenue impacts would have been if the optimism bias assumption applied to the MTFP had been 50%, instead of 40%, to see if a higher optimism bias assumption at the programme level was more realistic and could be assumed within future budgets, but had not received a response.
- Minute 6 – the Scrutiny Officer had contacted the Executive Director (Development), the Head of Financial Services and the Managing Director (OX Place) requesting the briefing note comparing initial expectations of Council and OX Place schemes over the last three years to their actual delivery timescales; attributing any slippage to a specific reason(s); and highlighting what the capital and revenue impact of that slippage was, but this had not yet been shared.
- Minute 7 – the Scrutiny Officer had contacted the Head of Financial Services requesting clarification on what the £350k savings in Elections would have been spent on; and clarification on what the budget B0159 'Redbridge Masterplan' (page 41 of the agenda pack) was due to be spent on; the timescales associated with that project; and the reasons why only £4,562 of a budget of £102,675 in 2023/24 had been spent, but had not received a response.
- Minute 8 – the Scrutiny Officer had contacted the Head of Financial Services to check whether the data for KPI BV008: 'percentage of invoices paid on time for OCC' was now available; and whether the target for KPI CS005: 'time to process new benefits claims' was too low, given the 'new normal' in relation to demand for Temporary Accommodation, but had not received a response.
- Minute 9 – the Scrutiny Officer had contacted the Head of Financial Services seeking to schedule 'Issues faced by the Local Government Sector and how Oxford City Council compares' into the Panel's Work Plan for 2024/25, but had not received a response.

The Chair expressed his disappointment that the above matters had not yet received responses; and reiterated his expectation that they would be responded to without further delay – and before the end of September 2024.

19. Finance and Performance Panel Work Plan

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

20. Council Strategy 2024-28 Key Performance Indicators

Mish Tullar, Head of Corporate Strategy introduced the report, which set out the proposed strategic key performance indicators (KPIs) linked to the Council Strategy 2024-28. The Council Strategy 2024-28 had already been through the relevant approvals process and was adopted by Full Council in July 2024, the KPIs had not been agreed simultaneously as more work was required to ensure the right measures were selected. The purpose of the KPIs was to measure the impact of the various

actions towards achieving the Council Strategy 2024-28; the number of KPIs had been kept purposefully small in order to maintain focus.

Cllr Susan Brown, Leader of the Council added that the recent Local Government Association (LGA) Peer Review feedback and previous feedback from Scrutiny had highlighted that the Council had too many KPIs. She advised that efforts had been made to reduce the number of KPIs and ensure they were more focused on areas of Council control. Cllr Brown also clarified that the proposed KPIs were the Council's headline KPIs, there would be a suite of operational KPIs which sat underneath the corporate KPIs, which were currently being reviewed; the corporate KPIs were not intended to be a reflection of all the work the Council was undertaking.

Cllr Turner joined the meeting.

In response to questions, the Panel was advised that:

- The wider context around the proposed KPIs was set out in the Corporate Strategy 2024-28, which may have been more immediately obvious had the KPIs been agreed alongside the strategy in July 2024.
- The Council had various overall aims, but the levers for achieving these aims were not all necessarily within the Council's control.
- There was confidence that the KPIs reflected action that was deliverable and within the Council's control; and that targets were stretching while still being achievable.
- The Council's operational KPIs were being reviewed separately with a view to reducing the number of them; these would be reported on more frequently than the corporate KPIs. The operational KPIs could be submitted to the Panel for consideration and regular oversight once they had been reviewed.
- The corporate KPIs proposed in relation to Leisure Services had been interrogated for their reliability and had been deemed appropriate measures.
- Air quality in Oxford was measured, but this did not feature as a corporate KPI, it was measured at the operational level; the Council was required to submit a report to DEFRA annually on air quality and the Climate and Environment Panel was due to consider this report at its meeting on 10 September.
- The proposed KPI related to the number of rough sleepers without an offer of accommodation was also viewed as a good proxy measure for Temporary Accommodation; in addition, it was highlighted that the Council was doing a lot of work to address the rise in demand for Temporary Accommodation, despite not being able to control or predict the demand as it was a national issue.

The Panel agreed that having a smaller number of more focused KPIs which demonstrated action in areas where the Council had control was appropriate, however suggested that it would be useful to also include additional KPIs which demonstrated whether the Council was achieving its ultimate goals and having the impact that it set out to have, even in areas where external factors outside of the Council's control influenced those outcomes rather than them being in the direct control of the Council (e.g. length of housing register waiting list or the affordability index for the City under the Good, Affordable Homes priority).

The Panel noted the report; there were no recommendations.

Cllr Susan Brown, Leader of the Council and Mish Tullar, Head of Corporate Strategy left the meeting and did not return.

21. Integrated Performance Report Q1 2024-25

Cllr Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management introduced the report, which provided an update on finance, risk and corporate performance matters as at 30 June 2024. He provided an overview of the Council's overall financial position and outlined some of the key challenges facing the Council.

In response to questions, the Panel was advised that:

- A detailed breakdown of rates of entry to and exit from Temporary Accommodation and where individuals went to on exiting Temporary Accommodation would be provided in future Integrated Performance reports.
- Cllr Turner would request a further update to all Members in relation to the Temporary Accommodation position.
- There was some optimism that the uplift in Local Housing Allowance would help reduce the pressures related to Temporary Accommodation, but it would take a while for the benefits to be realised.
- Officers were engaging with local hotels to negotiate better rates for Temporary Accommodation provided in hotels; officers would engage with Cllr Yeatman outside the meeting, as he had expertise in the hotel industry.
- Officers were being asked for their best assessment of Temporary Accommodation pressures and the impact on the Medium Term Financial Plan (MTFP); it was hoped that the pressure relating to Temporary Accommodation would not remain over the whole period of the MTFP, but it was likely that the pressure would get worse before the situation began to improve.
- Proposals related to OX Place becoming a Registered Provider had not been abandoned, but other work had taken priority in recent months; it was anticipated that work would recommence in relation to Registered Provider status in the not too distant future, once capacity allowed.
- The budget pressure related to non-Registered Provider organisations, commissioned by the County Council, providing supported accommodation to Oxford residents was significant and something which the City Council had no control over.

The Panel agreed to recommend to Cabinet that:

1. The Council produces an analysis related to the Council's inability to claim housing benefit subsidy in respect of Oxford residents living in supported accommodation provided by non-registered provider organisations and the options available to address the related adverse variance within Council finances – and shares this report with the Finance and Performance Panel once available.

22. Treasury Management Annual Report 2023-24

Cllr Ed Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management introduced the report, which set out the Council's Treasury Management activity and performance for the financial year 2023-24. He stated that he felt the Council struck the right balance between return on investment and risk.

Cllr Turner left the meeting and did not return.

Nigel Kennedy, Head of Financial Services provided an overview of the report content and the Council’s Treasury Management position.

In response to questions, the Panel was advised that:

- The Council was part of a Treasury Management benchmarking club, therefore benchmarking information was readily available to the Council.
- The performance of other local authorities in terms of Treasury Management depended on their Treasury Management Strategy, which set out their approach to balancing return on investment and risk.
- The Council accounted for interest accrued from its loans to wholly-owned Council companies and Joint Ventures on what it expected to receive; if it became clear that the interest due would not be received, the Council would need to make provisions for bad debt. There was no suggestion that interest due would not be paid in respect of any current loans.
- Interest rates applied to any loans provided by the Council were required to be subsidy compliant; the Council was not permitted to lend at an anti-competitive rate.
- The level of debt within the Housing Revenue Account (HRA) would increase over the next five years; this had been provided for within the budget.
- There was no additional update to the information contained within the exempt appendix to the report; the appendix contained the latest update.

The Panel agreed to recommend to Cabinet that:

1. The Council produces a benchmarking report which compares the Council’s Treasury Management function with that of other local authorities over time, to include data related to return on investment versus level of risk of investment strategy alongside an explanatory commentary, and shares this with the Finance and Performance Panel once available.

23. Exempt Treasury Management Matters [discussion item]

There was no discussion under this item.

24. Dates of future meetings

The Panel noted the dates and times of future meetings.

The meeting started at 6.00 pm and ended at 7.26 pm

Chair

Date: Wednesday 4 December 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.