

DRAFT CONTENT (PRIOR TO GRAPHIC DESIGN)

2017/18 Annual Report of Oxford City Council's Scrutiny Committee

Chair and Vice-Chair's Foreword

To follow



Councillor Andrew Gant, Chair, Scrutiny Committee 2017/18



Councillor Nigel Chapman, Vice Chair, Scrutiny Committee 2017/18

About the Scrutiny Committee

Most major Council decisions are taken by the City Executive Board, which is made up of ten elected councillors from the controlling political group. In operating this form of decision-making arrangement, the Council is required by law to have a Scrutiny Committee made up of elected councillors who are not on the Board.

The Scrutiny Committee acts as a counterweight to the City Executive Board, empowering twelve cross-party 'backbench' councillors to hold the Board to account for the decisions they take, and contribute to council decision-making. The Scrutiny Committee can also investigate any issue that affects the City or its residents, regardless of whether it is within the direct responsibility of the Board.

The work of Scrutiny helps to provide assurance that the Council is performing well, delivering value for money, and taking the best decisions it can to improve public services and the quality of life for the residents of Oxford.

Committee meetings are held almost every month at the Town Hall, and residents are encouraged to attend and address the Committee on any issues on the agenda. Generally, the Committee will consider a balance of forthcoming decisions to be made by the City Executive Board, and a number of other issues that are not necessarily the subject of a forthcoming decision, but merit further investigation.

Making the case for change

Importantly, for the Committee to be effective, it must produce well-reasoned evidence based recommendations to the Board concerning service improvement. The Committee has no power to require that decisions be revised, but a robust argument for change will go a long way in persuading the Board to review their decisions.

The Committee agrees a work plan at the start of each year which sets out the various topics and issues that councillors have chosen to focus on. Some of these issues are delegated to themed standing panels, which meet approximately five times each year, and to topical review groups where more detailed scrutiny is required over a series of meetings.

Summary of scrutiny activity during 2017/18

Member engagement

40% of non-executive members from across all political parties were involved in the scrutiny process.

Meetings

35 meetings were held in total:

- 11 Scrutiny Committee meetings
- 7 Housing Panel meetings
- 3 Finance Panel meetings
- 4 Budget Review Group meetings
- 4 Companies Panel meetings
- 6 Oxford Living Wage Review Group meetings.

Items

74 items were considered:

- 26 City Executive Board decisions
- 48 Other issues prioritised by Scrutiny

Reports

16 reports were presented to the City Executive Board including major reports on the Oxford Living Wage and the Council's budget and medium term financial strategy.

Recommendations

The total number of recommendations put to the City Executive Board was 86, with 95% of them being agreed or agreed in part.

Agreed	70	81%
Agreed in part	12	14%
Not agreed	4	5%

This represents a decrease on the number of recommendations made in previous years, which is in part due to temporary resource challenges in supporting the work of the Committee. Now that a full time Scrutiny Officer is in post, it is expected that the Committee will return to carrying out at least 3 review groups each year.

Parliamentary Review into Local Government Scrutiny

The Scrutiny function has been in place since the implementation of the Local Government Act 2000, and its practice has been interpreted widely and with varying degrees of effect nationally.

A recent review carried out by the Communities and Local Government Parliamentary Select Committee gathered a range of evidence from councillors, civil servants and scrutiny officers, and put forward a number of recommendations about how the scrutiny function could be improved and championed within local authorities. A review of the Select Committee's report shows that Oxford City Council is already compliant with many of the recommendations put forward; providing assurance that the Council's scrutiny arrangements are reflective of best practice. However, members are keen to review how the public can be better involved in the Scrutiny process, recognising that this is an area for improvement. Any outstanding areas for improvement will be brought forward for the Committee to discuss after HM Government has issued new guidance.

Call in

Call in is a statutory function that enables councillors to challenge decisions that have been taken before they are implemented. If a call in request from any 4 councillors or the Chair of Scrutiny is deemed valid, then the Committee will hear both sides of the argument and decide whether or not to refer the decision back to the City Executive Board (or individual councillors in the case of decisions about the use of ward member budgets), with reasons why the decision should be re-considered. During 2017/18 many important City Executive Board were subject to pre-decision scrutiny and there were no call-ins'.

Get involved

There are many opportunities for members of the public and representatives of organisations to get involved in the work of Scrutiny. The Committee would welcome an increase in the number of people attending to speak at its meetings, which are held at 6pm in the Town Hall (unless otherwise stated). Members of the public can:

- Attend meetings of the Scrutiny Committee, standing panels and review groups, except in instances where confidential information is to be discussed. Details of these meetings are displayed in the Town Hall and on our [website](#).
- Speak at a meeting on any agenda item with the prior agreement of the Chair. Please email democraticservices@oxford.gov.uk and give at least 24 hours' notice.
- Suggest a topic for Scrutiny to consider by completing and submitting a Work Plan [Suggestion Form](#).
- Raise issues with your local City Councillor and request that Scrutiny considers this as part of a Councillor Call for Action.
- Watch out for consultations, surveys and requests for evidence by registering at <http://www.oxford.gov.uk/consultation>.

Scrutiny Committee

Membership:

Councillor Andrew Gant (Chair)	Councillor Jennifer Pegg
Councillor Nigel Chapman (Vice-Chair)	Councillor Mark Lygo
Councillor David Henwood	Councillor Mark Ladbrooke
Councillor Mohammed Altaf-Khan	Councillor Lloyd-Shogbesan
Councillor James Fry	Councillor David Thomas
Councillor Steve Curran	Councillor Jamila Azad

The Scrutiny Committee is responsible for the overall management of the Council's scrutiny function. It decides which topics, issues and decisions will be considered and how. These items are all listed in an annual work plan which is agreed each summer and reviewed regularly during the year to take account of any emerging issues and upcoming City Executive Board decisions. An up to date copy of the Committee's Work Plan can be found on the [Council website](#).

The Committee also sets the remits and membership of its standing panels, which are themed sub-committees that consider all issues and decisions within their given remit. The Committee has agreed to continue with the Finance Panel and Housing Panel, which have been running for a number of years and are well established. In early 2017, the Committee also chose to set up a Companies Panel to oversee the Council's arm's length trading and housing companies, and the Committee opted to continue this arrangement for 2018/19.

A small number of issues prioritised by the Committee can be delegated to review groups for more detailed scrutiny. Review groups actively engage with partner organisations and expert witnesses before producing substantial evidence-based reports with recommendations. This year, a review group was set up to look at the promotion of the Oxford Living Wage, in addition to the annual review of the Council's budget and medium term financial strategy.

Approximately half of all the items Scrutiny has looked at this year were considered at meetings of the Scrutiny Committee. These included topical issues prioritised by councillors such as the use of Public Space Protection Orders, isolation in older people, devolution plans for Oxfordshire and equality and diversity in the Council's workforce. Among many items, a number of recommendations for tackling poor air quality were made and accepted by the City Executive Board, as well as recommendations for making the community grants process more accessible to underrepresented groups.

A significant proportion of City Executive Board decisions were also considered by the Committee, including annual decisions on safeguarding, the Discretionary Housing Payments Policy, community grant allocations and the Financial Inclusion Strategy.

The Committee also monitored Council performance on a quarterly basis and held the organisation to account when required. Key performance indicators that the Committee monitored related to job creation, customer satisfaction and homelessness.

The Committee would like to thank everyone who has played a part in the scrutiny process this year including scrutiny councillors, members of the City Executive

Board, council officers, representatives of partner organisations, expert witnesses and the public.

The Oxford Living Wage Review Group



“The idea of a ‘living wage’ originated in 2001 in east London – a product of discussions in civil society among low paid workers, faith groups and social justice campaigners that has been carried forward by trade unions, political parties, student campaigners and businesses themselves. Today, some 3000 organisations are proudly signed up to pay staff and contractors either the National ‘Real’ Living Wage or London Living wage.

In 2017, the Scrutiny Committee decided to carry out a comprehensive review of how the Council engages with partners and residents to promote the Oxford Living Wage (OLW), and evaluate our own record as an employer. This review in itself has been very positive and strengthened links among those in our city campaigning for an OLW. I offer my thanks to the members of the Review Group, the Living Wage Foundation, council officers, low paid workers themselves and those witnesses who gave their time so freely and spoke with such knowledge and passion. I trust that the Scrutiny Committee will continue to monitor the implementation of our important recommendations.” **Councillor Mark Ladbroke, Chair of the Oxford Living Wage Review Group 2017/18**

Oxford is a dynamic and successful city with relatively low long term unemployment. However, the cost of living is higher than almost anywhere else in the UK, due to the very high cost of housing, which is out of step with local wages. The legal minimum wage is not considered to be enough for an individual or family to avoid living in poverty with all the ill effects that has. It has been almost 10 years since the City Council first adopted the OLW, set at 95% of the London Living Wage.

In 2017, the Scrutiny Committee resolved to set up a review group to consider how the Council can promote the implementation of the OLW across the City. Key issues the review group sought to explore included:

- What more the Council could do internally to promote the OLW
- Opportunities to encourage and incentivise contractors and local employers to pay the OLW?
- What more the Council could do to promote the OLW and make it unacceptable for employers in the city to not pay a living wage.

The Review Group’s findings and recommendations were informed by verbal and written evidence provided by a range of witnesses including low paid workers and their representatives, employers based in the city, faith groups, academics and other interested parties. The Review Group also carried out a survey, a literature review and desktop research.

They heard first hand from residents who are paid below the OLW, and about the positive impact the OLW could have on their quality of life. A major local employer also informed the discussion, explaining that the implementation of the OLW had the potential to create additional payroll cost pressures for them in the region of

£20m. During various addresses to the Review Group, it was clear that subcontractors in a variety of organisations and were often paid below the OLW.

The Review Group received a wealth of evidence from a variety of sources. The Review Group heard from an academic that there was evidence that high rental costs were causing people to leave the City, not least because these costs have increased while many benefits have decreased in real terms. Key data and information of interest to the Review Group included:

- 60% of people living in poverty in the UK are in working households
- 21% of UK jobs pay less than the Real Living Wage (which is promoted by the Living Wage Foundation and based on the cost of living in the UK outside of London)
- Women (26%) are more likely than men (16%) to earn less than the Real Living Wage, with the level of low pay being particularly acute among young adults.
- 20% of children in Oxford live in poverty, which is higher than the average for England and rises to 25% when adjusted for housing costs.
- The 2018 Joint Strategic Needs Assessment for Oxfordshire showed that men in the most deprived areas of the city typically live nearly 15 fewer years than those in the most affluent areas.

Based on the wealth of evidence received, the Review Group concluded that the City Council should reaffirm its commitment to paying the OLW to directly employed, agency and contracted staff. However, the challenge is to encourage and influence more employers in the City to pay the OLW at £9.69 an hour for 2018/19. The Review Group was unable to secure a clear picture of how many employers in the City payed above the OLW, but it was clear that there was room for improvement. . In concluding their work, the Review Group put forward 15 recommendations to the City Executive Board.

The City Executive Board agreed to fully implement 11 of the recommendations and 4 in part. Principally, the recommendations adopted by the City Executive Board related to:

- Holding an annual event with business leaders, where the OLW will be promoted.
- Strengthening obligations on Council suppliers to provide the OLW.
- Having a nominated City Executive Board Member and council officer to lead in promoting and monitoring the implementation of the OLW.
- Ensuring the Council remains a fully accredited living wage employer.

Companies Panel

Membership:

Councillor James Fry (Chair)

Councillor Andrew Gant

Councillor David Henwood

Councillor Craig Simmons

Councillor Nigel Chapman



"The City Council has created two wholly Council-owned groups of companies in response to restrictions upon the ability of Council services to generate external income and restrictions on the Council's development of further Council housing. Over the past year, the Companies Panel has been undertaking a 'check and balance' function to the new arrangements to ensure the two groups of companies operate effectively and in the best interest of the residents of Oxford. The Panel's recent review of proposed housing company policies on rents and lettings, and debt recovery,

demonstrates the significant progress that has been made to date. Oxford Direct Services transferred to a company structure on 1 April 2018, and the Panel will oversee the company's performance in the new council year and make recommendations to the Shareholder (members of the City Executive Board) where necessary." **Councillor James Fry, Chair, Companies Panel 2017/18**

Last year, the most significant change affecting the operation of the Council was the establishment of two new groups of Council-owned companies. A group of housing companies was created to deliver new social and affordable housing and the Council also formed a group of Oxford Direct Services companies, which will provide a range of services directly to the Council and compete for work in the wider city economy. The housing companies plan to address the City's housing need by building new housing with a range of tenures on Council owned land, whilst also providing a financial return to the Council. This reflects similar moves by other local authorities, and recognises a need for councils to become more agile and bold in addressing the challenges of the future, particularly in relation to securing long term funding solutions.

The two groups of companies are wholly-owned by the Council, but each is managed by a board of directors operating independently. The decisions taken by the Council as the owner of its companies are open to scrutiny and the Scrutiny Committee established the Companies Panel to perform this function. The Panel has made regular reports to the Shareholder since the companies were established.

In July 2017, the Companies Panel made a recommendation to the Shareholder that the benefits of the Oxford Direct Services companies are communicated effectively to the public, elected members and other Council employees. This is a critical recommendation that the Panel will continue to monitor over the coming years, to ensure that members and the public understand how the Council is investing its time and resources.

Over the past year, the Panel has had advance sight of reports to the Shareholder, and been given the opportunity to publicly air any comments on the formation and progress of the companies. To date, there has been a broad consensus between the

comments and recommendations made by the Panel, and the decisions and actions of the Shareholder.

Most recently, the Panel reviewed the proposed Rent and Lettings, and Debt Recovery policies. Critically, it was noted that the policies of the companies would fundamentally align to those of the City Council. Panel members voiced their concern over HM Government's ambition to introduce flexible fixed term tenancies, which will come into effect in the next few years. The Rent and Lettings Policy will need to be reviewed once the mandatory guidance is in place. However, for now, the Council will continue to offer lifetime tenancies in most circumstances.

Many of the recommendations made by the Companies Panel over the past year have related to the availability of information, and ensuring suitable metrics are in place to monitor progress and performance. The Panel has also asked questions about the robustness of the business plans, and highlighted to the Shareholder that they must be sensitive to future changes, for example to changes to inflation or interest rates. At the end of the municipal year, the Panel reviewed early plans to build up to 243 dwellings across a number of small development sites in the City, which might not otherwise have been taken on by private development companies. The Panel welcomed these plans but recently noted that there had been a reduction in the total number of housing units being delivered, due to planning restrictions. The number of houses being developed for outright sale accounted for the majority of this reduction, rather than Council housing or other affordable tenures.

The summation of the Panel's work has provided the Shareholder with a secondary assurance that the two groups of companies are developing in an efficient and transparent way, with the Panel providing appropriate oversight and useful recommendations when necessary.

Finance Panel

Membership:

Councillor James Fry (Chair)

Councillor Tom Landell Mills

Councillor Craig Simmons

Councillor Sian Taylor



*The National Audit Office recently found that local authorities overall had experienced a near 50% reduction in Central Government funding between 2010 and 2017, and the Council's own revenue support grant from HM Government will vanish entirely next year. The Council must continue to look at new and innovative ways of delivering its services to meet this challenge. This year, the Finance Panel has witnessed the Council's effectiveness in balancing the books through generating additional income from traded services and commercial property income, and may benefit in future from extra Business Rates income from the new Westgate Shopping Centre. At the same time, the Council has succeeded in making significant efficiency savings. **Councillor James Fry, Chair, Finance Panel 2017/18***

The Finance Panel has a role in overseeing and scrutinising the Council's financial performance and budgetary proposals. The Panel monitors Council spend throughout the year, considers selected financial issues and decisions, and conducts a detailed annual review of the Council's budget and medium term spending proposals.

Following the vote for Brexit on 23rd June 2016 and the triggering of article 50 on 29th March 2017, which signalled the commencement of Britain's exit from the European Union, the Finance Panel has requested biannual updates on how the Brexit process is affecting the local economy and the Council's own finances. The Panel noted that despite negative forecasts prior to the referendum, many of the concerns for the local economy are yet to materialise. However, nationally, inflation has risen, which together with a falling pound has had a negative impact on consumer confidence. Incidentally, the decline in the pound's value against the euro has resulted in an increase in European Social Fund money for the Council's Community Grants Programme.

Overall, there appears to be little immediate impact on the Oxford economy following the Brexit vote. Income flows from fees and charges to the Council have remained buoyant and borrowing costs remain low. Whilst negotiations between the UK and the EU are still underway, it remains to be seen how the national and local economic picture will change. This will only truly be known after the UK has left the EU.

Another priority area of work for the Panel was reviewing proposals for a revised Council Tax Reduction Scheme. The cost to the Council of providing a comprehensive Council Tax reduction for low income households will rise to at least £1.8m by April 2019 and this has been built into the Council's spending plans. The Panel supported the proposal to continue with the scheme rather than billing those who could not afford to pay. The Panel noted that the cost of the scheme is shared between the other precepting authorities; Thames Valley Police and Oxfordshire County Council.

The Panel conducted its annual review of the Council's budget proposals over the New Year period, questioning senior managers about budgetary changes and testing assumptions about spending levels, income targets and financial pressures. In addition to 14 recommendations concerning the level of Council Tax, local fees and partner engagement, the Panel also requested that it receives a report in the new budget setting cycle on the total value returned to the Council by the Oxford Direct Services companies, as well as the dividend payment, which will be subject to Corporation Tax. 11 of the 14 recommendations made by the Panel during the budget review process were accepted by the City Executive Board.

Other financial decisions scrutinised by the Panel included decisions on the Council's Treasury Management Strategy and investment property development opportunities. The Panel also reviewed the Council's quarterly financial reports to monitor spending and progress against savings targets.

Housing Panel

Membership:

Councillor David Henwood (Chair)

Councillor Angie Goff

Councillor Jennifer Pegg

Councillor Gill Sanders

Councillor David Thomas

Councillor Liz Wade

Geno Humphrey (tenant co-optee)



This year the Housing Panel has played a key role in scrutinising and making important recommendations in relation to housing, homelessness, empty buildings and Council's tower blocks. The panel hosted meetings which proactively encouraged input from landlords, listened carefully to the experiences of tower block residents, and invited representatives of the homeless community to share their experiences when reviewing the Housing and Homelessness Strategy. This has developed a cross-party work ethos which is celebrated as being inclusive and fair.

Sadly this year our valued colleague, Councillor Jennifer Pegg, passed away. Her input into many meetings has helped shape current council policy and she is dearly missed. The Panel will also miss contributions from Councillor Liz Wade and Councillor Gill Sanders who have stepped down this year after serving on the Council and the Housing Panel for many years. Next year, the Panel will face new challenges and adopt a pivotal role in reviewing the new Oxford Local Plan housing policies. It will continue to make further recommendations to improve living in Oxford.

Councillor David Henwood, Chair, Housing Panel 2017/18

Oxford is widely cited as one of the least affordable cities in the UK to rent or buy a home, making the affordability and accessibility to housing a challenging issue for the City and its residents. The unaffordability of housing also has the potential to exacerbate other socio-economic inequalities including poverty, educational attainment and access to health services. This housing crisis is causing increasing hardship for many people in the City, particularly the most vulnerable and lowest paid. Therefore, meeting local housing needs remains a priority for the Council. The Housing Panel is tasked by the Scrutiny Committee with considering all housing related matters and decisions in the interest of improving the local situation.

In response to the tragic events at Grenfell Tower, the Housing Panel commissioned an update on the work underway to test the fire safety standards of local tower blocks. The Panel heard from the Head of Housing that all five tower blocks within the city limits had already been retrofitted with sprinkler systems before the Grenfell tragedy. At the time this work was undertaken, retrofitting was rare among tower blocks nationally. The Panel welcomed feedback from the public at the same meeting concerning the adequacy of the national fire safety testing system, and the level of affordable housing in the area. Residents understandably had major concerns and wanted to know what was happening following the Grenfell disaster. The public were assured that the Oxfordshire Fire and Rescue Service had recently inspected all Oxford tower blocks and concluded that they were safe. It was clarified that the cladding systems on Oxford's tower blocks were not the same as those on Grenfell Tower, but nevertheless the Council took the decision to replace the

cladding on two of its tower blocks which had a similar rain screen material to that used on Grenfell.

The Council committed in the region of £1.8m to fund homelessness prevention activities in 2018/19. In March 2018, the Panel reviewed the allocation of these funds, and were satisfied with the proposal. Notably, £150,000 has been allocated over the next two years to support the work of the City Conversation; a partner led initiative to tackle homelessness across the City. The Panel will continue to monitor how this money is used, and has requested an update on the progress of the City Conversation, and the development of a Homelessness Charter. Oxford City Council was recently the first local authority in the county to be awarded the Gold Standard by a national homelessness prevention service. Unfortunately, there continues to be a rise in the number of people rough sleeping locally and nationally, and this will continue to feature as a priority in the Housing Panels future work plan.

The Housing Panel reviewed the City Executive Board's proposed Tenancy Strategy and Policy in early 2018. Despite pending regulations as part of the new Housing and Planning Act 2016, which mandate local authorities to offer flexible fixed term tenancies to new tenants, the Housing Panel and City Executive Board were of the view that until such a time regulations are introduced, the Council should continue its offer of lifetime tenancies for council tenants. The Housing Panel will revisit this matter when further guidance is issued to ensure the Council's tenancy offer is the best it can be, within the regulations.

Other topical housing issues prioritised for scrutiny included the management of void council properties, university housing needs, the Housing Assistance and Disability Adaptations Policy, tenant involvement and the numbers of households in temporary accommodation. The Panel also reviewed the Council's housing performance reports to monitor issues such as homelessness and rent collection rates.

The year ahead

The Scrutiny Committee has re-elected Councillor Andrew Gant as Chair for the 2018/19 Council year and Councillor David Henwood has been elected Vice-Chair. He replaces Councillor Nigel Chapman, who has joined the City Executive Board as the Board member for Customer Focused Services. The Committee also welcomes new members of the Committee in Councillors; Alex Donnelly, Lubna Arshad, Nadine Bely-Summers, Hosnieh Marbini, and Christine Simm. Returning members to the Committee are Councillors; Mohammed Altaf-Khan, James Fry, Pat Kennedy and Craig Simmons.

The new Committee has recently prioritised a review focused on [insert review topic], which will be led by Councillor [insert name]. This review will consider [insert scope]. The Committee will continue to scrutinise decisions of the City Executive Board, and a number of new issues affecting the City have been included in the Scrutiny Work Plan, including; the impacts of the Westgate Shopping Centre, preparation for the 2020 zero emission zone and the Draft Local Plan. The Committee has also re-appointed the Finance, Companies and Housing Standing Panels for another year, with more members involved in these groups than ever before.

Councillor James Fry has been reappointed as Chair of the Finance Panel. The Panel will again undertake a detailed annual review of the Council's budget proposals early in the New Year and will monitor financial performance and decisions through the year. The Companies Panel is also chaired by Councillor James Fry and will continue to consider the progress of the Council's wholly owned housing companies and Oxford Direct Services companies.

The Housing Panel is chaired by Councillor David Henwood. The Panel will look at a number of important housing decisions such as the implementation of the Council's Housing and Homelessness Strategy and the recommissioning of the Housing Advisory Contract which provides frontline advice to those at risk of homelessness. The Panel will also revisit a number of housing and landlord issues such as the Council's Great Estates investments and making better use of the Council's garage assets.

Contact us

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