

**To:** Council

**Date:** 18 March 2024

**Report of:** Chair of the Scrutiny Committee

**Title of Report:** Scrutiny Committee Update Report

<b>Summary and recommendations</b>	
<b>Purpose of report:</b>	To update Council on the activities of the Scrutiny function
<b>Scrutiny Lead Member:</b>	Councillor Lucy Pegg, Chair of the Scrutiny Committee
<b>Corporate Priority:</b>	All
<b>Policy Framework:</b>	Council Strategy 2020-24
<b>Recommendation:</b> That Council resolves to note the update report.	

<b>Appendices</b>
None

## Introduction

1. This report provides an update on Scrutiny activity during the period from 01 January 2024 to 29 February 2024.
2. During this reporting period the Committee met twice, on 16 January 2024 and 06 February 2024. In addition, there have been two Panel meetings (Finance and Performance Panel – 22 January 2024; Climate and Environment Panel – 27 February 2024). A summary of each meeting is set out below.

## Scrutiny Committee: 16 January 2024

3. At its meeting on 16 January 2024, the Committee considered four substantive reports:
  - Leisure Services Contract Award (*Cabinet report*)
  - Draft Corporate Strategy 2024-28 for Consultation (*Cabinet report*)

- Private Rented Sector Regulation Policies – Results of Consultation (*Cabinet report*)
  - DAHA Accreditation and Domestic Abuse Review Group Update
4. The Leisure Services Contract Award report sought approval for the award of a 10-year contract (with 5-year extension option) for the management and development of the Council's three leisure centres, Hinksey Outdoor Pool and the Oxford Ice Rink to Serco Leisure Ltd, subject to officers completing necessary due diligence and pre-contract negotiations; various delegations of authority to facilitate the contract award and smooth transition period; and agreement for Cabinet to receive annual reports on the performance of the leisure services and the contractor. Overall, the Committee wished to record the fact that it had grave concerns about the award of the contract to the proposed provider. However, the Committee noted that there was no real alternative option given the risk of legal challenge (and associated financial risk) if the Council did not award the contract to the winning bidder. The Committee asked a range of questions, including questions relating to why the Council's in-house proposal for the provision of leisure services was exempt from publication; the Council's process for assessing reputational risk; the opportunities for input afforded to Members during the procurement process; the arrangements which would be established to manage and monitor the contract; proposed fees and charges for leisure services; the contractual implications in the case of any under-performance by the provider; the impact of the management fee on the Council's Medium Term Financial Strategy; social value; and the financial viability of the Council providing leisure services in-house. Eight recommendations were agreed.
  5. The Draft Corporate Strategy 2024-28 for Consultation report sought delegated authority for the Head of Corporate Strategy, in consultation with the Leader of the Council, to make any changes to the draft Corporate Strategy 2024-28 as may be required following its consideration by the Scrutiny Committee and then publish the draft Corporate Strategy 2024-28 for public consultation. The Committee asked a range of questions, including questions relating to whether the Council's targets around housing were ambitious enough; prioritisation; how the different priorities interconnected; community wealth building; and the Council's work with anchor institutions. Five recommendations were agreed.
  6. The Private Rented Sector Regulation Policies – Results of Consultation report sought approval of three policies: Fit and Proper Person; Banning Orders & Rogue Landlord Database Entry; and Civil Penalties in Relation to Residential Enforcement. The Committee asked a range of questions, including questions relating to what happened to money received by the Council in respect of Civil Penalties; whether an individual could be on the Rogue Landlord Database without having a Banning Order as the policy seemed to suggest; whether the national Rogue Landlord Database was being properly utilised and working in the way it was intended; the Council's plans to ensure proper scrutiny of housing for asylum seekers; and whether the Council could include any requirements relating to domestic abuse within its private rented sector regulation policies. Two recommendations were agreed.
  7. The DAHA Accreditation and Domestic Abuse Review Group Update report was a Scrutiny-commissioned report which provided an update on the Council's progress towards the DAHA Accreditation and progress made against the recommendations

arising from the Domestic Abuse Review Group in 2021. The Committee asked a range of questions, including questions relating to the condition and suitability of safe accommodation; the Council's statutory duty to provide safe accommodation; housing needs; Temporary Accommodation; support for those fleeing domestic abuse; domestic abuse training; and funding for the DAHA Accreditation. Four recommendations were agreed.

### **Cabinet Responses to Recommendations: January 2024**

8. The following reports were submitted to Cabinet in January 2024:
  - Leisure Services Contract Award (*Cabinet report*)
  - Draft Corporate Strategy 2024-28 for Consultation (*Cabinet report*)
  - Private Rented Sector Regulation Policies – Results of Consultation (*Cabinet report*)
  - DAHA Accreditation and Domestic Abuse Review Group Update
  - Biodiversity Action Plan for Oxford City Council Parks and Nature Areas – September 2023 Review
  - Retrofit
9. Of the twenty-six recommendations submitted across the six reports, thirteen were agreed, three were agreed in part and four were not agreed; one recommendation was marked 'not applicable' by Cabinet in relation to the publication of the principles of social value weightings in procurement exercises, as it stated the Council already published this information within its Procurement Strategy 2022-25, which was available on the Council's website. The relevant Cabinet Member did not indicate whether or not recommendations were agreed in relation to five recommendations – providing a written commentary only.

### **Scrutiny Committee: 06 February 2024**

10. At its meeting on 06 February 2024, the Committee considered two substantive reports:
  - Capital Strategy 2024/25 to 2027/28 (*Cabinet report*)
  - Treasury Management Strategy 2024/25 (*Cabinet report*)
11. The Capital Strategy 2024/25 to 2027/28 report sought a Cabinet recommendation to Council for the approval of the Capital Strategy 2024/25 to 2027/28. The Committee asked a range of questions, including questions relating to whether the Council's investments in assets had been tested by any external bodies to verify that they were not made primarily for financial return; the impact on any capital schemes which commenced prior to the new rules being implemented by the Public Works Loan Board in 2022; the Council's net zero ambitions; Minimum Revenue Provision (MRP); and capitalisation related to the ODS transformation work. One recommendation was agreed.
12. The Treasury Management Strategy 2024/25 report sought a Cabinet recommendation to Council for the approval of the Treasury Management Strategy

2024/25, the Borrowing Strategy 2024/25, the Minimum Revenue Provision Statement, the Investment Strategy 2024/25 and the Treasury Management Scheme of Delegation. The Committee asked a range of questions, including questions relating to the reasoning for the significant transfer of funds from the Housing Revenue Account (HRA) set out in the financial implications section of the report; prudential indicators; structures of borrowing; risk associated with the large increase in external borrowing set out in the report; the Council's Environmental, Social and Governance (ESG) Policy; passive investments; whether the limit for non-specified investments had been changed following a recommendation made by the Finance and Performance Panel on 06 December 2023; and the Council's Ethical Investment Policy. One recommendation was agreed.

13. In addition, the Committee considered the report and recommendations of the Budget Review Group 2024/25. The Budget Review Group met four times in January 2024 to scrutinise the budget, which led to the culmination of a comprehensive report and the formulation of nine recommendations. The recommendations sought to challenge assumptions in the context of the Council's limited resources and ensure that active, timely and meaningful Member involvement remained at the forefront of Council decision-making. The Committee approved the report and recommendations for submission to Cabinet in February 2024.

#### **Cabinet Responses to Recommendations: February 2024**

14. The following reports were submitted to Cabinet in February 2024:

- Capital Strategy 2024/25 to 2027/28 (*Cabinet report*)
- Treasury Management Strategy 2024/25 (*Cabinet report*)
- Report of the Budget Review Group 2024/25

15. Of the eleven recommendations submitted across the three reports, nine were agreed, one was agreed in part and one was not agreed.

#### **Housing and Homelessness Panel**

16. The Housing and Homelessness Panel has not met during the reporting period.

#### **Finance and Performance Panel**

17. The Finance and Performance Panel met once during this reporting period, on 22 January 2024.

18. At its meeting on 22 January 2024, the Panel considered four substantive items:

- Council Tax Reduction Scheme 2024/25 (*Cabinet report*)
- Housing Revenue Account (HRA) Rent Setting Report 2024/25 (*Cabinet report*)
- Corporate Key Performance Indicator (KPI) Review [presentation]
- Draft Report of the Budget Review Group 2024/25

19. The Council Tax Reduction Scheme 2024/25 report sought Cabinet approval for changes to the Council's Council Tax Reduction Scheme for 2024/25 following public consultation. The Panel asked a range of questions, including questions relating to income bands; consultation responses; and the impact of moving to a non-banded system. There were no recommendations.
20. The HRA Rent Setting Report 2024/25 presented the outcome of the Council's annual rent review and associated rent setting proposal for 2024/25 in respect of Council dwellings within the Housing Revenue Account (HRA), including the setting of associated services and facilities charges. The Panel asked a range of questions, including questions relating to any financial return to the Council as a result of investment in energy efficiency measures in HRA stock; and the different percentage rent increase proposed for garages versus social housing rents. There were no recommendations.
21. The Corporate KPI Review presentation item set out an overview of the development of corporate KPIs, which was in the very early stages. The Panel's views on the initial proposals were sought. The Panel raised a number of points across the five proposed priority areas within the draft Corporate Strategy 2024-28 and made suggestions for inclusion within the finalised corporate KPIs. Seven recommendations were agreed, which will be submitted to Cabinet in March 2024.
22. The Draft Report of the Budget Review Group was the culmination of a series of four meetings of the Budget Review Group in January 2024. The report set out the findings and recommendations of the Review Group; Panel agreement was sought to submit the report to the Scrutiny Committee for endorsement before it was submitted to Cabinet in February 2024. Nine recommendations were agreed, which were submitted to Scrutiny Committee and Cabinet in February 2024 (see *paragraphs 13, 14 and 15 above*).

### **Climate and Environment Panel**

23. The Climate and Environment Panel met once during this reporting period, on 27 February 2024.
24. The following reports, considered by the Climate and Environment Panel at its meeting on 29 November 2023, were submitted to Cabinet in January 2024 (see *paragraphs 8 and 9 above*):
  - Biodiversity Action Plan for Oxford City Council Parks and Nature Areas – September 2023 Review
  - Retrofit
25. At its meeting on 27 February 2024, the Panel considered four substantive items:
  - Heat Network & Zoning [presentation]
  - Citywide Retrofit Strategy [presentation]
  - Biodiversity Net Gain [presentation]
  - Net Zero Masterplan
26. The Heat Network & Zoning presentation was commercially sensitive; commercial confidentiality prevents the provision of a summary report. There were no recommendations.

27. The Citywide Retrofit Strategy presentation set out an overview of work to date in relation to the development of a Citywide Retrofit Strategy and Action Plan and sought the Panel’s feedback. The Panel asked a range of questions and raised a number of points, including those relating to whether non-residential Council-owned buildings were in scope; the retrofit ‘efficiency paradox’; the importance of having a trackable action plan to sit alongside the strategy; and whether the strategy focus should be on areas where the Council had control versus influence alone. Two recommendations were agreed, which will be submitted to Cabinet in March 2024 for response.
28. The Biodiversity Net Gain presentation set out an overview of Biodiversity Net Gain, including the statutory regulations and national guidance; monitoring arrangements; Biodiversity Gain Plans; and identification of Council land for Biodiversity Net Gain purposes. The Panel asked a range of questions, including questions relating to the development of the offsite Biodiversity Net Gain market; monitoring guidance; responsibility for monitoring of offsite arrangements; ‘stacking’ of biodiversity and carbon offsetting on the same site; the scope of the project to identify Council land for Biodiversity Net Gain purposes; and the interaction of statutory credits with viability calculations during the Planning process. Two recommendations were agreed, which will be submitted to Cabinet in March 2024 for response.
29. The Net Zero Masterplan set out Oxford City Council’s actions over the next two years to achieve its two carbon targets: a Net Zero Estate and Operations by 2030 and a Net Zero City by 2040. There were no recommendations.

### **Companies Scrutiny Panel**

30. The Companies Scrutiny Panel has not met during the reporting period.

<b>Report author</b>	Alice Courtney
Job title	Scrutiny Officer
Service area or department	Law and Governance
Telephone	01865 529834
e-mail	<a href="mailto:acourtney@oxford.gov.uk">acourtney@oxford.gov.uk</a>