

Minutes of a meeting of the Finance and Performance Panel (Panel of the Scrutiny Committee) on Tuesday 26 March 2024



Committee members present:

Councillor Fry (Chair)

Councillor Djafari-Marbini

Councillor Jarvis

Councillor Latif

Councillor Smowton

Officers present for all or part of the meeting:

Nigel Kennedy, Head of Financial Services

Peter Matthew, Executive Director (Communities and People)

Alice Courtney, Scrutiny Officer

Apologies:

No apologies were received

43. Declarations of Interest

None.

44. Chair's Announcements

None.

45. Notes of the previous meeting

The Panel agreed the notes of the meeting held on 22 January 2024 as a true and accurate record.

Cllr Smowton joined the meeting.

In relation to minute 38, Housing Revenue Account (HRA) Rent Setting Report 2024/25, the Panel noted that Cabinet had agreed to increase the charge for a garage by 7.7%, in line with the percentage increase to social housing rents, rather than the 7% which was set out in the report.

46. Finance and Performance Panel Work Plan

The Panel considered the Work Plan, noting it was the Panel's final meeting of the municipal year.

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

47. Report back on recommendations

The Panel noted the following Cabinet responses to its recommendations:

- Corporate Key Performance Indicator (KPI) Review

In discussion, the Panel highlighted that Cabinet had not explicitly indicated whether it agreed, agreed in part, or did not agree with the recommendations; and had instead opted to provide only a commentary in response to the recommendations. The Panel noted that it could not require Cabinet to specify whether it agreed or otherwise with the recommendations, but agreed that it was helpful when Cabinet completed the 'agree?' column of the Cabinet response template.

48. Integrated Performance Report Q3 2023/24

Cllr Latif joined the meeting.

This report provided an update on the Council's finance, risk and corporate performance matters as at 31 December 2023. It was considered by Cabinet at its meeting on 13 March 2024; Cllr Turner, Deputy Leader (Statutory) and Cabinet Member for Finance and Asset Management had sent his apologies for the Panel meeting. Nigel Kennedy, Head of Financial Services was in attendance to answer questions.

In response to questions, the Panel was advised that:

- All spend which met the requirement for capital expenditure in respect of Responsive & Cyclical Repairs (currently charged to the revenue budget) would be capitalised; this would improve the financial position of the Housing Revenue Account (HRA) as that spend would be taken out of the revenue budget and charged to capital, which would then be funded through borrowing and/or grants.
- A 40% 'optimism bias' reduction had been applied in the Medium Term Financial Plan (MTFP) for 2024/25 to 2027/28 in order to better account for slippage within the Capital Programme. No comparisons had been undertaken between current slippage levels and how they aligned with the 40% optimism bias assumptions which would be applied to the Capital Programme from 2024/25.
- Slippage within the Capital Programme was generally unintentional and projects were not intentionally delayed so as to improve the revenue budget position.
- The Cave Street capital project was classed as a postponement, rather than slippage, as it had been proactively taken out of the Capital Programme completely for the time being as the business case was no longer viable in the current climate.
- The Head of Financial Services would seek clarification as to why four of the corporate indicators had no data available for the report and feed back to the Panel.
- The Council did not generally budget for maternity cover as it was too difficult to predict; where maternity cover required backfilling of a post, this led to a budget overspend. The Business Improvement staffing pressures related largely to high levels of maternity and sickness leave within the Contact Centre; it was hoped that the pressures would not carry forward, as mitigations such as the rollout of online forms sought to relieve the pressures to an extent.
- St Aldate's Chambers and Cadogan House had both now been let, however there was a grace period within which the Council would not receive any income. Income was expected to flow through over the next 12 months.

- The 'Fusion saving' referenced in the report related to a saving in energy costs in connection with the Fusion contract, as the Council had budgeted for higher energy bills and the actual energy bills had been slightly below the forecasted budget.
- The Head of Financial Services relied on the expertise of officers within Corporate Property when factoring the time taken to complete lettings into the budget.
- The Head of Financial Services took the advice of other officers in relation to the number and classification of risks.
- The red service area risk relating to procurement challenges was not intrinsic to the Council, it was as a result of a national trend which had seen an increase in procurement challenges. The Council had received two challenges in the past six months, though both had been successfully rebutted. Challenges did cause delays but a standstill period was already built into procurement processes; the Council had robust procurement processes in place and would also ensure adequate training for officers.
- Mitigations to address workforce sustainability risks included pay settlements and pay benchmarking with other local authorities.
- The Executive Director (Communities and People) would seek clarification around the timescales for delivery of the Adult Homeless Pathway transformation programme and report back to the Panel.
- The Key Performance Indicators (KPIs) included at Appendix D to the report covered the 'year to date'. The Head of Financial Services agreed that this could be set out more clearly in the appendix to ensure clarity on the period covered. The KPIs were currently under review and revised KPIs would be brought forward in due course.
- Housing Services held data in relation to longevity in Temporary Accommodation which could be shared with the Panel.

The Panel requested that:

- The Head of Financial Services seek clarification as to why four of the corporate indicators had no data available for the report and feed back to the Panel.
- The Executive Director (Communities and People) seek clarification around the timescales for delivery of the Adult Homeless Pathway transformation programme and report back to the Panel.
- Information relating to longevity in Temporary Accommodation be shared with the Panel to allow Members to understand how long individuals currently in Temporary Accommodation had been accommodated in Temporary Accommodation.

The Panel agreed to recommend to Cabinet that:

1. The Council undertakes a comparative analysis of the current overall slippage of the Capital Programme and how that aligns with the 40% optimism bias assumptions included in the MTFP 2024/25 to 2027/28, to understand the extent to which the 40% optimism bias assumptions from 2024/25 are realistic.
2. The Council undertakes an analysis in relation to the letting of Council-owned property between estimated time taken to let properties versus actual time taken to let properties, with a view to being able to incorporate more accurate assumptions in the budget going forward.

3. The Council reassesses corporate and service area risks to ensure accuracy of the number and classification of risks, with particular consideration given as to whether the two corporate risks relating to climate change should be merged into one risk and whether the service area risk related to Hinksey Heated Outdoor Pool should be reduced to an amber risk.
4. The Council ensures clarity in future Integrated Performance reports in relation to the period covered by Key Performance Indicator reporting.

49. Scrutiny Performance Monitoring

There was no discussion under this item.

The Panel noted the performance report for KPIs selected by the Finance and Performance Panel in the 2023/24 municipal year as at December 2023.

50. Matters Exempt or part exempt from publication and exclusion of the public

The Panel agreed, in accordance with the provisions of Section 100A(4) of the Local Government Act 1972 to exclude the press and the public from the remaining items of business on the grounds that their presence would involve the likely disclosure of exempt information as described in Paragraph 3 of Part 1 of Schedule 12A of the Act.

a) Strategic Review of Services Across Community Services - Draft Terms of Reference

The Panel held a discussion relating to the draft terms of reference for the Strategic Review of Services Across Community Services in private.

The Chair, Cllr Fry left the meeting and did not return.

The Panel agreed to elect Cllr Jarvis as Chair for the remainder of the meeting.

In response to questions, the Panel was advised that:

- Appropriate Member engagement would be undertaken throughout the review process.
- Consideration would be given as to how best to facilitate Scrutiny involvement in the review process. The Panel was clear that it would value Scrutiny involvement at an early stage when there were still multiple possible options, rather than at the point at which a final report was submitted for decision to Cabinet, for example.
- It was anticipated that there would be an interim report on the review's progress in June 2024; the Executive Director (Communities and People) and the Scrutiny Officer could discuss scheduling this into the Work Plan outside the meeting.
- The new Leisure Management Contract would be considered in the context of the overall review, however regular monitoring and management of that contract was not in scope of the review; monitoring and management activity of that contract would be undertaken separately to the review.
- It was too early within the review process to discuss key performance indicators; it would be more appropriate to consider this once the review was underway.
- The outcome of the review was required to be reported by the end of September 2024; the outcome would then feed into the consultation budget for 2025/26.

- Internal communications channels with staff had already been established to keep staff informed of the review and its progress; resident communications would be rolled out later in the process once the implications of the review became clearer.

The Panel:

- Noted the draft terms of reference.
- Requested that the Scrutiny Officer engage with the Executive Director (Communities and People) to schedule in Scrutiny consideration of the interim report on the review's progress which was anticipated in June 2024 and any other Scrutiny involvement in the review process, as appropriate.

b) Strategic Review of Services Provided by Oxford Direct Services (ODS) - Draft Terms of Reference

The Panel held a discussion relating to the draft terms of reference for the Strategic Review of Services Provided by Oxford Direct Services (ODS) in private.

In response to questions, the Panel was advised that:

- The review would focus on the commissioning and clienting of ODS services by the Council in order to identify savings and efficiencies.
- Appropriate Member engagement would be undertaken throughout the review process.
- Consideration would be given as to how best to facilitate Scrutiny involvement in the review process. The Panel was clear that it would value Scrutiny involvement at an early stage when there were still multiple possible options, rather than at the point at which a final report was submitted for decision to Cabinet, for example.
- The Head of Financial Services and the Scrutiny Officer could discuss scheduling further consideration of this review into the Work Plan outside the meeting.
- It was too early within the review process to discuss key performance indicators; it would be more appropriate to consider this once the review was underway.
- The outcome of the review was required to be reported by the end of September 2024; the outcome would then feed into the consultation budget for 2025/26.
- Housing Revenue Account (HRA) building maintenance was not in scope of the review, as the focus of the review was on General Fund Services. HRA building maintenance would be considered under the review of the HRA Business Plan.
- The Council was undertaking stock condition surveys in relation to HRA stock to ensure compliance with the New Homes Standard and enable prioritisation of investment and improvement works. No HRA stock had been identified to date which did not meet the national decency standards.
- The enactment of the Social Housing (Regulation) Act 2023 would help address quality issues in Housing Association stock through the Regulator for Social Housing inspection regime.

The Panel:

- Noted the draft terms of reference.
- Requested that the Scrutiny Officer engage with the Head of Financial Services to schedule in further Scrutiny consideration of the review's progress at the appropriate point.

Cllr Djafari-Marbini left the meeting and did not return.

c) Exempt Treasury Management Matters [discussion item]

The Panel held a discussion relating to Treasury Management matters in private.

51. Dates of future meetings

The Panel noted the dates and times of future meetings.

The meeting started at 6.00 pm and ended at 7.25 pm

Chair

Date: Thursday 6 June 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.