

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the
FINANCE AND MANAGEMENT OVERVIEW AND SCRUTINY COMMITTEE
held in Committee Room I, Council Offices, Woodgreen, Witney, Oxon
at 2.00 pm on Wednesday 23 July 2014

PRESENT

Councillors: C G Dingwall (Chairman), T J Morris (Vice-Chairman), A J Adams, Mrs J C Baker, J C Cooper, H G Davies, P J G Dorward, S J Good, T N Owen, Dr E M E Poskitt and G Saul.

Also Present: D S T Enright.

4. MINUTES

RESOLVED: That the minutes of the meetings of the Committee held on 30 April and 4 June 2014 be approved as correct records and signed by the Chairman.

5. APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENT

Apologies for absence were received from D A Cotterill, H J Howard and E H James, and the Chief Executive reported receipt of the following resignation and temporary appointment:-

Mr T N Owen for Mr A H K Postan

6. DECLARATIONS OF INTEREST

There were no declarations of interest from Members or Officers in matters to be considered at the meeting.

7. PARTICIPATION OF THE PUBLIC

No submissions were received from the public in accordance with the Council's Rules of Procedure.

8. GREEN DEAL TOGETHER

The Committee received a presentation from Brad Hook, Chief Executive of the Green Deal Together Community Interest Company, in respect of the operation of the company, copies of which were tabled for members at the meeting.

As requested, Mr Hook focussed on financial aspects of the company and its performance, so as well as outlining its concept, he explained that a number of factors meant that the financial position was not as expected, and that the processes which had to be followed as well as the complexity of the business and lack of consumer awareness, had led to the situation whereby no work had yet been done under the scheme for any properties in West Oxfordshire. He further referred to the remodelling of the business and marketing plans, and emphasised that the government remained committed, that the position was common to all the green deal companies, and that the project had always been viewed as a long term one by the government, intended to last well into the next decade. It was anticipated that the company would break even in the next financial year.

To underscore the slowness of market growth, he reported that whilst the government's target had been for 10,000 plans (i.e. house improvement schemes) to be in place at the

end of 2013/14, the figure had been around 1500. He also stressed the intention that the scheme would enable home improvements without the need for “up-front” financing, and that it was available to 80% of the population, many of whom would not otherwise be able to raise the finance for the necessary improvements.

During discussion and questions:

- A number of members expressed concern at the complexities involved, and the likely consequence of preventing interest/take-up
- Members stressed the need for more effective marketing, including the options for direct targeting in areas where there were needs for improvements, and the raising of the possibility of a role for local councillors in liaison with town and parish councils assisting with that marketing/promotion
- The cost of prior assessments was raised, it being contended that the requirement to pay for that assessment could prevent interest amongst householders with limited funds
- There was concern about the long term financial viability of the programme/company

In response, Mr Hook (i) agreed that the complexities were an issue, but welcomed moves from central government which would assist with marketing messages; (ii) referred again to the marketing plan, which could be made available to the Council/Members; (iii) explained that assessment costs were subsidised, although there was an option to increase subsequent pay back costs as an alternative to the up-front assessment charge; (iv) drew attention to the role of local authorities, stating that the records held by West Oxfordshire meant that key information about specific needs etc could be gleaned; (v) referred to the restrictions which existed in relation to how the company could interact with potential customers; and (vi) again emphasised the long term nature of the project.

The Committee thanked Mr Hook for his attendance and input.

9. MAIN POINTS FROM THE LAST MEETING AND FOLLOW UP ACTION

The Committee received and noted the report of the Chairman, which gave details of the main points arising from its meeting held on 30 April 2014.

10. COMMITTEE WORK PROGRAMME 2014/2015

The Committee considered the report of Frank Wilson, Strategic Director, which sought consideration of its Work Programme for 2014/2015 and suggested various topics for consideration.

The Committee had no adverse comments on the items suggested in the report, and two additional matters were suggested and supported.

RESOLVED:

- (a) That the Work Programme set out in Appendix B to the report be approved; and
- (b) That additional items be included to cover (i) the consideration of the use of roof space in Council owned property, to include where appropriate the possibility of installing solar panels, and pursuant to the role of the Committee in relation to asset management; and (ii) the monitoring and review of the project for the provision of

high speed broadband in rural areas, to which the Council was contributing a significant capital sum.

11. CABINET WORK PROGRAMME

The Committee received and considered the report of the Chief Executive, which gave members the opportunity to comment on the Cabinet Work Programme published on 17 June 2014.

In response to a question concerning the item referring to land in Long Hanborough, the Head of Democratic Services reported that the latest Cabinet Work Programme had been published on 22 July, that the matter would be considered by Cabinet on 20 August, and that it was no longer proposed that the report would be considered in private session.

RESOLVED: That the contents of the Cabinet Work Programme published on 17 June 2014, and of the update from the Head of Democratic Services, be noted.

12. CALL IN OF CABINET DECISION – APPOINTMENTS TO THE WITNEY TRAFFIC ADVISORY COMMITTEE

Prior to consideration of this matter, the Chairman drew the Committee's attention to the fact that he wished to speak in relation to the matter insofar as it related to his appointment to the Traffic Advisory Committee, and advised that in the circumstances he would vacate the chair for this item of business.

Accordingly, Mr T J Morris chaired the meeting for this item only.

The Committee then considered the report of the Head of Democratic Services, which specified the duly made call-in request, seeking reconsideration of the Cabinet decision of 18 June 2014 (Minute No 13) in respect of the appointment of Councillors C G Dingwall and A D Harvey as representatives to serve on the Witney Traffic Advisory Committee, and including the reasons given by those who had made the request.

As a member of the Committee who supported the request for reconsideration, Councillor Saul reiterated the reasons for it, in particular the view that the appointees should represent Witney wards or be resident in Witney; the additional local knowledge and perspective which Councillor Coles had in his capacity as a local bus driver; the fact that the request had been supported by Liberal Democrat and Independent Councillors as well as those in the Labour Group; and the possibility that the appointments could be regarded as political. In making his observations, however, he stressed that there was no intention to be derogatory about the representatives approved by Cabinet.

During detailed consideration:

- It was suggested that it was appropriate for the Advisory Committee to include a Councillor representing or living in a ward in the environs of Witney, because of the associated issues and impacts
- Mr Dingwall outlined his contributions to the work of the Advisory Committee and to traffic and highways issues in Witney generally
- The possibility of the appointment of an additional West Oxfordshire Councillor in a formal deputy capacity was raised, as was a query as to whether representation could be increased to three

- Views were expressed to the effect that it was hoped that the appointments were not “party political”

The Head of Democratic Services advised that, additional to the decision in relation to support for the call-in request, it would be entirely legitimate for the Committee to express a view to Cabinet as to the appointment of a deputy and/or the Council’s future representation on the Advisory Committee. The Committee -

RESOLVED:

- (a) That the request for Cabinet to reconsider its decision in this matter be rejected; and
- (b) That, notwithstanding the decision at (a) above, the Cabinet be requested to
 - (i) consider the appointment of Councillor A S Coles as a nominated deputy for either of the two representatives; and (ii) request an increase in the Council’s representation on the Witney Traffic Advisory Committee to three.

13. PERFORMANCE INDICATORS – YEAR END 2013/2014

The Committee received and considered the report of the Shared Head of Business Information and Change giving details of the Council’s performance as at the end of Quarter 4 2013/2014 in relation to Corporate Resources, Business Information and Change, Customer Services, Revenues and Benefits, and Legal and Democratic Services.

The report specified 18 indicators, and offered comment in relation to those, including the fact that overall performance remained good.

During consideration:

- The Committee was advised that indicator CR4 relating to the payment of invoices would not be part of subsequent performance monitoring reports
- Satisfaction with the low level of sickness absence was expressed (CRI)
- The Strategic Director confirmed that very close attention would be paid to indicator RB3 relating to the collection of Council Tax, including in the context of universal benefits and the Council Tax Support scheme
- A suggestion was made that consideration be given to ceasing to include indicator CS3 relating to customer satisfaction because (i) the sample was so small; and (ii) satisfaction was notoriously difficult to measure
- The Head of Democratic Services briefly supplemented the information relating to complaints to the Local Government Ombudsman, and stated that the annual review letter would be reported in due course, probably to the Audit and General Purposes Committee

The Committee -

RESOLVED: That the report be noted.

14. TREASURY MANAGEMENT ACTIVITY AND PERFORMANCE 2013/2014

The Committee received and considered the report of the GO Shared Service Head of Finance giving details of treasury management activity and the performance of internal and external fund managers for the period 1 April to 30 June 2014.

During the presentation of the report, the Committee was advised of (i) the fact that the inclusion of a number of Building Societies in the counterparty list would assist the in-house team; (ii) the fact that the table on page 3 of the report showed overall positive performance in relation to the specified seven new investments, although SWIP had performed poorly; (iii) the current forecast that performance during the financial year would be slightly above the target; and (iv) an error in the total figure for cash repaid shown in the table under paragraph 3.11, which should have read £5,550,397.

Additionally, it was reported that the main focus of the training suggested for the next meeting of the Committee would be for the explanation of various technical matters, including AAA ratings, and the nature of bonds and equities etc.

Concern was expressed in relation to the poor performance to date of SWIP, and it was emphasised that this was being kept under constant review, but that it was too soon to yet consider changing that investment.

RESOLVED:

- (a) That treasury management and the performance of in-house and external Pooled Funds' activity for the period 1 April 2014 – 30 June 2014 be noted; and
- (b) That the intention that Arlingclose Ltd, or an alternative company, be invited to attend the next meeting to present some training to members be noted and endorsed.

15. START TIME OF MEETINGS

The Committee considered the report of the Head of Democratic Services, which asked it to agree the start time for its meetings during the remainder of the 2014/2015 municipal year.

RESOLVED: That the Committee's meetings in the remainder of the 2014/2015 municipal year shall begin at 2.00pm.

16. ANNUAL INVESTMENT PROPERTY REVIEW

The Committee considered the report of the Strategic Director, the appendices to which included exempt information, comprising the annual report submitted to advise members of current property investments and their performance since the previous review, in June 2013.

The Strategic Director stated that the review report, and the performance specified, needed to be regarded in the context of financial management, and the previously approved strategy of having investments in the ratio of 65% in commercial property and 35% in cash. Overall, the rate of return was satisfactory, with a running yield of 7.5% in 2013/14 which could be adjusted to 6.4% when capital losses (for example, stamp duty) were factored in.

In response to comments and questions, the Strategic Director:

- Confirmed that the figures in Appendix B to the report indicated the return since the relevant property had been in the ownership of the Council, as opposed to being a figure for the 2013/14 financial year
- Undertook to look into the possibility of an annual report, whereby there would be an opportunity strategically to consider both the cash and property sides of the Council's investment strategies in relation to the financial strategy generally, and any anticipated economic and other considerations for the coming years

- Referred to paragraph 3.11 of the report, which indicated the balance of different types of commercial property in the Council's ownership, stating that the balance of types was relevant to associated risks, an example of which being the likelihood of void periods

At the conclusion of the discussion, the Chairman suggested that the Council should in the future consider the option of investing in residential properties, in conjunction with social housing providers.

RESOLVED: That the performance of current property investments be noted.

17. MEMBERS QUESTIONS

There were no questions from members of the Committee.

The meeting closed at 3:45 p.m.

CHAIRMAN