

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the
FINANCE AND MANAGEMENT OVERVIEW AND SCRUTINY COMMITTEE
held in Committee Room 1, Council Offices, Woodgreen, Witney, Oxon
at 2.00 pm on Wednesday 24 September 2014

PRESENT

Councillors: C G Dingwall (Chairman), T J Morris (Vice-Chairman), A J Adams, Mrs J C Baker, Mrs E M Coles, J C Cooper, P J G Dorward, S J Good, H J Howard, E H James, Dr E M E Poskitt and A H K Postan.

18. MINUTES

RESOLVED: That the minutes of the meeting of the Committee held on 23 July 2014 be approved as a correct record and signed by the Chairman.

19. APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

The Chief Executive reported receipt of the following resignation and temporary appointment:-

Mrs E M Coles for G Saul

20. DECLARATIONS OF INTEREST

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

21. PARTICIPATION OF THE PUBLIC

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

22. 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 23rd July 2014.

23. COMMITTEE WORK PROGRAMME 2014/2015

The Committee considered the report of Frank Wilson, Strategic Director, which gave an update on progress in relation to its Work Programme for 2014/2015.

RESOLVED: That progress with regard to the Committee's Work Programme for 2014/2015 be noted.

24. 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 19 August 2014.

RESOLVED: That the contents of the Cabinet Work Programme published on 19 August 2014 be noted.

25. RURAL SUPERFAST BROADBAND PROJECT

The Committee received and considered the report of the Strategic Director, which introduced information about this project to members, arising from the Committee's wish to monitor the planning and implementation of the project.

Will Barton (Business Development Officer) presented the report to the Committee and provided some background and context. He invited representatives from Cotswolds Broadband to give further details of the planned project including its technical aspects and how it would operate. The following additional information was provided:-

- It was hoped that, as a result of this project, superfast broadband would be provided for close to 100% of the district;
- Varying options with different speeds and prices would be available to customers;
- It was intended to have a pre-registration scheme in December 2014;
- It was anticipated that the whole scheme would be in place by December 2016;
- There would be a mix of different technologies – fibre to cabinet, fibre to premises, and wireless, dependant on the best solution for individual areas;
- Public consultation would start shortly. People would be invited to notify Cotswolds Broadband of any plans for broadband delivery in a particular area of which they were aware;
- Following consultation, the open European tender for the work would be launched. The District Council would be involved at every stage and would be scrutinising the progress of the project to ensure value for money;
- The advantage of this scheme was that it started from scratch – so the best possible network could be designed. Once this had been done, it would be possible to ascertain how best to obtain the right mix of financing for the scheme;
- It was a genuine public/private partnership. Initial discussions with potential investors were already in hand. The Council would provide £1.6million as a loan, rather than a grant, thus ensuring that it received a return on its investment and on its seed money.

During discussion, the Committee clarified the following areas:-

Project assets

It was confirmed that the broadband fibre and ducting was the most valuable physical asset. It had a 30 year warranty but was likely to last somewhere between 50 and 100 years. It therefore had a long economic life. This asset would be owned by Cotswolds Broadband, but was used to secure the loan from the Council. Through legal agreement, in the worst case scenario, the Council would have a charge over Cotswolds Broadband's assets. However, the project itself along with its infrastructure was the asset against which any loan would be secured.

Officers indicated that there was no guarantee of a future value for this project contained within the report. The Committee was mindful that the Council made various investments, but that this was an investment that would benefit very many residents of West Oxfordshire. The Council was being very brave; but alongside that, there was some security for its loan because it was secured against the project's assets.

The Committee was asked to note that the finer detail of the loan agreement was under negotiation at present.

Infrastructure

It was confirmed that there would be new infrastructure, including broadband cabinets, for this project. These would be smaller than those installed by BT and were designed to fit into their surroundings. The cabinets would have spare capacity within them so that they could serve present, and future, households and businesses. The project was designed for future growth.

It was expected that the bulk of the broadband connection would be via fibre optic cable, and this would be an extensive network. Some customers would depend on wireless connection, and small wireless masts could be installed where a fibre optic connection was not possible; but it was envisaged that they would migrate to fibre optic connection as the system developed over time.

Marketing

The Committee observed that it was important that this project was well marketed to ensure maximum customer take-up. Parish and Town Councils could play an important part here, given that most had newsletters that went to every household, and some had websites through which information could be provided. It was important to start making contact with them at an early stage.

Representatives from Cotswolds Broadband reassured the Committee that this was in hand. Once public consultation closed, the area of coverage could be confirmed, and at this point, formal contact with parishes could be made. Some contact had already begun, and 28 parishes had provided letters of support for the project.

Private investment

The Committee was mindful that this project depended upon private investment. It questioned how easy this would be to secure.

It was acknowledged that private investment was essential. If it was not secured, then a different business model would be necessary. This was not expected to be the case. There were already four “agreements in principle” from major investors, and it was expected that these would be firmed up at the end of October.

Conclusion

The Committee was aware that this was a bold and innovative project and that the Council was something of a trailblazer! Members of the Committee were pleased that all areas of the district, but rural and more remote areas in particular, would receive improved broadband coverage.

RESOLVED:

- (a) That the progress of the project to date be noted; and,
- (b) That a further update be provided to the Committee in early 2015; and that officers should arrange a special meeting in order to discuss the project further, should that be necessary.

26. TREASURY MANAGEMENT ACTIVITY - ARLINGCLOSE

The Go Shared Service Head of Finance submitted a report concerning Treasury Management Activity and Performance for 2013/14. Paul Stuart presented the report to the Committee, and invited Phiroza Katrak and Elliot McGilray from Arlingclose Ltd to provide some background and context to the report as a training session for Members.

During the session, the following key points were made:-

- Treasury management was about making investments and the management of risks;
- Obtaining the greatest return carried with it the greatest risk. It was important therefore to balance risks and returns;
- The Council had a diverse investment portfolio, with investments ranging over differing time periods. Some were day by day, others would mature over a longer period;
- It was anticipated that interest rates would rise, albeit slowly;
- When making an investment, there was a CIPFA requirement to have regard to credit ratings. The Council's investments were all with institutions that achieved a minimum A rating;
- The Council held two bonds with Housing Associations, and also had a good spread of other investments.

RESOLVED: That the contents of the report and the training presentation be noted.

27. TREASURY MANAGEMENT ACTIVITY AND PERFORMANCE 2014/2015

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 April to August 2014. Paul Stuart presented the report to the Committee and explained the background to it. The key message was that the Council remained on budget.

RESOLVED: That treasury management and the performance of in-house and external Pooled Funds' activity for the period April to August 2014 be noted.

28. QUARTER ONE PERFORMANCE INDICATORS 2014/15

The Committee considered Performance Indicators related to Business Information and Change, Customer Services, GO Shared Services, Democratic Services and Revenues and Strategic Housing.

In response to a question, Frank Wilson explained that a 5% target for lost calls (PI CS2) was an industry standard method of measurement, and that 5% was a very good level of service.

Regarding PI R86 (identification of fraudulent housing benefit overpayments), it was unusual for the target achieved to be so low, but a number of ongoing court cases were expected to redress the balance.

The Committee was pleased to see a decrease in the number of working days lost to sickness (PI CR1, CR2).

RESOLVED: That the current position be noted.

29. MEMBERS QUESTIONS

There were no questions from members of the Committee.

The meeting closed at 4.45 p.m.

CHAIRMAN