

WEST OXFORDSHIRE DISTRICT COUNCIL

Minutes of the meeting of the Finance and Management Overview & Scrutiny Committee
held in Committee Room 1, Council Offices, Woodgreen, Witney, Oxon
at 2.00 pm on Wednesday 8 June 2016

PRESENT

Councillors: A J Adams, D A Cotterill, C Cottrell-Dormer, P J G Dorward, S J Good,
H J Howard, E H James, Dr E M E Poskitt, A H K Postan, Mrs C E Reynolds and G Saul

Also in attendance: Mr T J Morris

4. ELECTION OF CHAIRMAN

In the absence of the Chairman and Vice-Chairman of the Committee it was:-

RESOLVED: That Mrs C R Reynolds be appointed as Chairman for the meeting.

Mrs Reynolds then took the Chair.

5. MINUTES

RESOLVED: That the minutes of the meetings of the Committee held on 30 March and 18 May 2016 be approved as correct records and signed by the Chairman.

6. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr P Emery and Mr G H L Wall.

7. DECLARATIONS OF INTEREST

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

8. PARTICIPATION OF THE PUBLIC

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

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 March 2016.

10. COMMITTEE WORK PROGRAMME 2016/2017

The Committee received the report of the Strategic Director seeking consideration of a work programme for the committee for 2016/2017.

10.1 Affordable Housing Working Party

The Strategic Director advised that a meeting of the Affordable Housing Working Party had been held on 9 March when consideration had been given to the role and scope of the group.

Members of the Working Party had been cognisant of the division of responsibilities between Committees and acknowledged that, whilst the Finance and Management Overview and Scrutiny Committee had a role to play in financial terms, certain aspects of

affordable housing fell within the remit of the Economic and Social Overview and Scrutiny Committee.

Members had raised the possibility of the Council developing a key worker mortgage scheme and the Strategic Director had undertaken to provide details of the scheme operated by Cotswold District Council to the next meeting.

The Strategic Director advised that preliminary enquiries had revealed that there had been little take up of the Cotswold scheme, primarily due to the availability of other national initiatives. However, the possibility of devising a local key worker scheme would be considered further at the next meeting.

10.2 Rural Broadband Project

Mr Cotterill noted that work had commenced on the rural broadband project and enquired how the scheme was proceeding. In response, the Strategic Director advised that 14 sites had been identified for the location of service cabinets, each of which would serve a number of individual settlements. Detailed design work was now underway and was expected to be concluded within four weeks.

In response to questions from Mr Good, the Strategic Director advised that the next key stage would be the completion of the detailed design work. Completion of the project was scheduled for December 2017 but, whilst reliant upon the detailed design, it was hoped that it could be concluded sooner. Following completion of the detailed design, it would be possible to provide a programme of works and the Strategic Director suggested that the Committee might wish to receive a progress report at its December meeting.

Mr Postan advised that local residents had expressed some concern over the proposed location of the service cabinet at Asthall Leigh, indicating that a more appropriate location could have been identified through public consultation. The Strategic Director advised that the location of service cabinets was a matter to be agreed between the contractors and the Highway Authority and, in response to a further question from Mr Howard, it was explained that the provision of such facilities were not subject to planning control.

10.3 Re-organisation of Local Government

The Strategic Director advised that the report commissioned by the Council from Price Waterhouse Coopers was imminent but had not yet been received. The question of the re-organisation of Local Government was included within the Committee Work Programme and a report would be submitted to the next meeting. Arrangements could be made for special meeting to be held if necessary.

Mr Cotterill advised that the Leader of Oxfordshire County Council had attended a meeting at OALC at which he had set out that Authority's vision for a unitary County. This was to be followed by a programme of presentations and a subsequent public consultation. Mr Cotterill questioned whether West Oxfordshire intended to follow a similar process.

In response, the Strategic Director advised that West Oxfordshire's position was somewhat different in that it had commissioned Price Waterhouse Coopers to conduct a two stage process. The intention in the first instance was to identify a business case. Public consultation would follow thereafter if appropriate.

Mr Howard questioned whether Members remained content with this approach given the County Council's publicity campaign. Mr Harvey indicated that it was essential to establish a robust business case rather than to embark upon consultation on a proposal based upon

uncorroborated conjecture with the consequent reputational risk of pursuing an untenable objective. Members of the Committee concurred.

10.4 Changes in the Allocation of Business Rates

The Strategic Director advised that the report on the potential impact of changes in the allocation of Business Rates would be submitted as soon as possible. A detailed scheme had yet to be devised and consultation with representative organisations was on-going. Pilot schemes were to be operated in London, Greater Manchester and Liverpool in 2017/18 and the Strategic Director indicated that he would endeavour to produce an initial report for the next meeting setting out a timescale for the wider implementation of the proposed changes.

10.5 Car Parking Strategy

Mr Cotterill noted that development of the Council's Car Parking Strategy was continuing and questioned whether, given the potential financial implications, this could be added to the Committee Work Programme.

In response, the Strategic Director advised that development of the Strategy primarily fell within the purview of the Environment Overview and Scrutiny Committee but that any specific financial implications that arose could be considered by this Committee.

10.6 Extension of the Right to Buy to Housing Association Properties

Mr Cottrell-Dormer enquired when a report on the extension of the right to buy to housing association properties was likely to come forward. In response, the Strategic Director advised that Cottsway Housing had recently approached the Council indicating that it wished to introduce a scheme in West Oxfordshire and requesting waiver of the 'claw –back' provisions to allow it to do so. The Council could decide to waive its right to receive a proportion of the value of such sales on condition that all proceeds were applied within the District. A report would be submitted to the Committee in July.

Mr Cottrell-Dormer explained that he was particularly keen to establish whether properties on rural exception sites would be subject to the Right to Buy and the Strategic Director advised that he would investigate further and include this information in his report.

RESOLVED: That the Committee's Work Programme for 2015/2016 be approved.

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 24 May 2016.

RESOLVED: That the content of the Cabinet Work Programme published on 24 May 2016 be noted.

12. TREASURY MANAGEMENT ACTIVITY AND PERFORMANCE – 2015/2016

The Committee received and considered the report of the GO Shared Service Head of Finance giving details of the performance of in-house and external fund managers for 2015/2016.

Mr Howard noted that the Aberdeen Fund continued to fail to perform well and enquired whether the Council's advisors, Arlingclose, had expressed a view on the suitability of

continuing to hold this investment. In response, the GO Shared Service Head of Finance advised that all the Council's investments were kept under review but acknowledged the continued poor performance of the Aberdeen Fund. He noted that the Council continued to derive income through dividends from the fund and stressed that the timing of any decision to dis-invest was critical as it would not wish to see a loss on the principal sum invested.

Mrs Reynolds enquired as to the current position with regard to the Council's Icelandic Investments.

In order to enable Officers to report in detail it was:-

RESOLVED: that the Committee being of the opinion that it was likely, in view of the nature of the business to be transacted, that if members of the public were present during the following item of business there would be a disclosure to them of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)), the public be excluded from the meeting.

The Strategic Director and GO Shared Service Head of Finance then provided Members with an update on the current position and impending arrangements to secure the return of these funds.

It was then:-

RESOLVED: that the public be readmitted to the meeting.

Mr Cotterill enquired why the support ratings of a number of UK banks had been revised from 1 to five in the Fitch review of credit ratings. It was explained that this was a result of the Government's announcement that it would no longer offer financial support to banks facing financial difficulties with the relative impact of the review being dependent upon each institution's vulnerability to 'bail-in' requirements.

In response to a question from Dr Poskitt, the GO Shared Service Head of Finance explained that slippage in the Council's Capital Programme was a result of delay in the start of the rural broadband project.

RESOLVED: That treasury management and the performance of in-house and external Pooled Funds' activity for 2015/2016 be noted.

13. TREASURY MANAGEMENT ACTIVITY AND PERFORMANCE – 2016/2017

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 to 30 April 2016.

Mrs Reynolds questioned whether the Council's financial advisors had expressed any view on the potential impact upon interest rates of the European Referendum.

The Strategic Director advised that there were numerous conflicting views on the potential impact but undertook to circulate any relevant financial forecasts received from the Council's advisors to Members.

The GO Shared Service Head of Finance drew particular attention to paragraph 2.9 of the report which outlined the potential requirement to revise the Council's current Borrowing Strategy of remaining debt free to address the implications of new capital expenditure.

The Strategic Director indicated that the necessary funding could be met through a combination of internal and external loans and Mr Howard expressed a preference for dis-investment from the Aberdeen Fund.

In response, the Strategic Director indicated that this would be a decision to be taken at the appropriate time in consultation with the Council's financial advisors.

In terms of the new Waste Services contract, Mr Harvey advised that it was too early to be able to assess the financial requirements as the service delivery model and arrangements had yet to be agreed.

Mr Morris expressed support for the proposed change in the Council's Borrowing Strategy, indicating that this would provide sufficient flexibility to meet any additional capital expenditure found to be necessary.

In conclusion, the Strategic Director advised that it appeared that the Council would not be successful in securing the more significant of the two investment properties referred to in paragraph 2.9 of the report.

RESOLVED: That treasury management and the performance of in-house and external Pooled Funds' activity for the period 1 to 30 April 2016 be noted.

14. PERFORMANCE INDICATORS – YEAR END 2015/2016

The Committee received and considered the report of the Head of Leisure and Communities giving details of the Council's performance as at the end of the year 2015/2016.

Mr Howard questioned whether the target for the payment of commercial invoices (GO3) was too stringent. In response, The GO Shared Service Head of Finance reminded Members that the Council had previously dropped a higher 10 day target and expressed the view that the current indicator was attainable and should be maintained. In response to a question from Mrs Reynolds, he advised that the relevance of the Council's Performance Indicators was reviewed annually.

Mr Cottrell-Dormer noted that there were occasions when the Council failed to submit invoices for services it had provided in a timely fashion. In response, the Strategic Director advised that the Council sought to obtain payment in advance for services it provided.

Mr Postan queried whether the increase in short term absences was indicative of a fall in staff morale. In response, the Strategic Director advised that there was no indication that this was a significant issue. However, he acknowledged that on-going structural changes inevitably caused uncertainty amongst staff and undertook to keep the matter under review. In response to concerns expressed by Mr Howard regarding staff morale, the Strategic Director advised that a staff survey was due to be undertaken shortly Mr Good informed Members of difficulties he had experienced in contacting Council services through the call centre. The Strategic Director acknowledged that delays could occur during peak periods and explained that there would be significant financial implications in seeking to improve performance further.

Mr Saul questioned what additional measures had been put in place to improve the speed of processing benefit claims and changes of circumstance. The Strategic Director advised that changes in the Department of Works and Pensions had given rise to an increased workload but that two trainee posts had been created to replace the more difficult to fill

apprenticeships. The Council's performance remained within the top quartile but Officers would continue to monitor the position closely.

RESOLVED: That the information provided be noted

15. START TIME OF MEETINGS

Consideration was given to the report of the Head of Democratic Services regarding the start time of meetings for the remainder of the 2016/2017 municipal year.

RESOLVED: That meetings for the remainder of the municipal year commence at 2.00pm.

16. MEMBERS QUESTIONS

There were no questions from Members relating to the work of the Committee.

The Chairman thanked Officers for their reports and Members for their contributions to the meeting

The meeting closed at 3.00pm

CHAIRMAN