

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 7 February 2018

PRESENT

Councillors: P Emery (Chairman), A J Adams, J C Cooper, C Cottrell-Dormer,
P J G Dorward, H B Eaglestone, S J Good, H J Howard, E H James, A H K Postan, G Saul
and H E T St John

Also in attendance: Mrs J C Baker, C G Dingwall and T J Morris

53. MINUTES

RESOLVED: That the minutes of the meeting held on 29 November 2018 be approved as a correct record and signed by the Chairman.

54. APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

Apologies for absence were received from Mr D A Cotterill and the following resignations and temporary appointments were received and noted:-

J C Cooper for K J Mullins
H B Eaglestone for A D Harvey
H E T St John for G H L Wall

55. DECLARATIONS OF INTEREST

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

56. PARTICIPATION OF THE PUBLIC

There were no submissions from members of the public in accordance with the Council's Rules of Procedure.

57. 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 29 November 2017.

58. COMMITTEE WORK PROGRAMME 2017/2017

The Committee received the report of the Strategic Director and Head of Paid Service providing an update on the work programme for the Committee for 2017/2018.

58.1 Rural Broadband Project

It was noted that a verbal update regarding progress on the rural broadband project would be provided later in the meeting.

58.2 Publica/2020 Vision Project

The Chairman advised that the Managing Director of Publica was to present the Company's emerging Business Plan later in the meeting.

58.3 Re-organisation of Local Government

The Chairman advised that it had been suggested that this item be removed from the Work Programme. Whilst he acknowledged that it appeared that this was no longer a current issue, Mr Howard suggested that the Leader of the Council be invited to attend the next meeting to provide an update. Mr Postan considered that, rather than seek information from the top down, the matter remain on the Work Programme pending any future developments.

Having considered the matter further, Members **AGREED** that the Leader of the Council be invited to attend the next meeting to provide an update on the current position.

RESOLVED: That, subject to the amendment detailed above, progress with regard to the Committee's Work Programme for 2017/2018 be noted.

(Mr E H James joined the meeting at this juncture)

59. 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 16 January 2018.

59.1 Budget 2018/2019

Mr Cooper advised Members that he was considering making a recommendation to the Council that the default position regarding the collection of Council Tax be revised with payments being made in 12 rather than 10 monthly payments.

Mr Howard indicated that this facility was already available to residents on request and the Group Manager for Revenues and Housing Support advised that, whilst the Council was able to offer residents the option to elect to make 12 rather than 10 monthly payments, it was not empowered by the relevant legislation to require them to do so.

Mr Cooper indicated that he had received advice to the contrary and undertook to investigate the position further.

59.2 The Unicorn Public House, Great Rollright

It was noted that the Development Manager had advised Members of the Uplands Area Planning Sub-Committee of the current position regarding the enforcement action instituted by the Council in relation to this property. A further report was to be submitted to the Cabinet at its meeting to be held on 14 February.

59.3 Oxfordshire Growth Deal

It was noted that a report on the Oxfordshire Growth Deal was to be considered by the Cabinet and Council on 14 February. Mr Emery expressed some concern that Members would have difficulty in assimilating the complex information contained within the voluminous report in the period between the despatch of the agenda and the meeting.

59.4 Cottsway Housing

It was noted that the Cabinet was to consider a report regarding the Council's relationship with Cottsway Housing. Mr Good, the Council's nominee to the Cottsway Board, advised that imminent legislative changes meant that the Council would no longer be able to exercise a 'Golden Share' to veto Board decisions.

In addition, whilst Cottsway could choose to seek Board representation from the Council, there would no longer be a requirement for it to do so.

Mr Good advised that meetings had taken place between representatives of Cottsway and the Council and that a report on the issue was to be considered by the Cabinet on 14 February. Recommendations arising would come before full Council on 28 February and Mr Good indicated that he would make his own views known at that stage.

59.5 General Data Protection Regulations

Mr Emery advised that he had recently attended a meeting of the Executive of the Oxfordshire Association of District Councils at which considerable discussion had taken place regarding the introduction of the General Data Protection Regulations. He enquired whether there was any intention to provide further training on the matter to Members.

In response, Frank Wilson advised that further Member training was planned to supplement the earlier provision and Mr Good reminded Members that all Councillors had now been registered as data controllers. The Council was continuing to take appropriate steps to ensure compliance with the new Regulations and, as the legislation continued to evolve, the deadline for full compliance was to be relaxed where it could be demonstrated that adequate planning had taken place.

The Group Manager of ICT, Change and Customer services confirmed that an action plan had been devised and development of a revised Data Protection Policy was in hand. He indicated that, whilst potential sanctions had increased, the underlying principles of data protection legislation remained unchanged.

Mr Emery expressed some concern that the increased emphasis on data protection could result in inadvertent consequences such as the loss of historical data.

RESOLVED: That the content of the Cabinet Work Programme published on 16 January 2018 be noted.

60. PUBLICA BUSINESS PLAN

The Managing Director of Publica introduced the Company's emerging Business Plan, a copy of which appears as Appendix A to the original copy of these minutes. He explained that the initial objective was to provide a noticeably improved customer experience before seeking to develop the Company to start providing services to other authorities and public service providers. The Plan outlined the key tasks facing Publica and the philosophy underlying its operation.

Mr Howard questioned how the proposed recognition scheme would operate and expressed the hope that this would not include financial bonus payments as his experience indicated that such arrangements were divisive. In response, the Managing Director advised that it was not intended to introduce bonus payments or performance related pay but a staff recognition scheme which would offer modest gift vouchers to staff nominated.

Mr Howard also enquired how residents would be informed of the creation of Publica. Frank Wilson advised that an article would appear in the Council's publication 'Creating

Futures' and the Managing Director of Publica indicated that this was a complex issue as the intention was to retain the Council as the principal 'brand' but to acknowledge its link with Publica. There were differing views amongst Members as to the degree of visibility that Publica should enjoy.

Mr Postan questioned whether the Company operated any of its own vehicles, suggesting that they should acknowledge emerging technologies in their purchasing decisions. In response, the Managing Director advised that the Company owned a limited number of vehicles and recognised the significance of environmental issues throughout its operation.

Mr Cooper noted that the minutes of the staff forum had been circulated to members in the past and asked if the minutes of the new consultative forum would be circulated in the same way. He also enquired what the Company was doing to identify opportunities to secure further work as he was aware that Woodstock Town Council was looking to reassign an outsourced function.

In response, the Managing Director advised that it was not intended to publish minutes of meetings of the consultative forum as these were informal, internal meetings. However, he indicated that he would be happy to respond to any particular questions that Members might wish to raise.

With regard to identifying further opportunities, he advised that the initial objective was to ensure that the Company was doing what it did well before raising its profile amongst other organisations. It was not intended to enter into bidding processes as Publica did not represent an alternative outsourcing model; the objective was to see other Councils approaching Publica having recognised the benefits that it was able to offer. Whilst the Company would be open to receiving an approach such as had been suggested, it would be preferable to see other principal councils coming on board.

Mr Good made reference to a recent exchange with a local resident who, having received a prompt response, expressed some concern that the service received had only been provided following his prompt. In response, the Managing Director advised that the underlying intention behind service redesign was to provide first class services rather than those which responded to service failure.

Members thanked Mr Neudegg for his presentation and noted the information provided.

61. ELECTRIC VEHICLE CHARGING POINTS

The Committee received and considered the report of the Group Manager Go Shared Services, copies of which had been circulated, which provided a progress update on the work of the Electric Vehicle Charging Point Working Party.

In introducing the report, the Group Manager invited the Committee to consider whether it would wish to make a recommendation to the Cabinet regarding the inclusion of financial provision within the capital programme for 2018/2019.

Mr Howard considered that the Committee should make such a recommendation but, given the need for additional parking provision within the District, questioned whether the sum of £250,000 suggested in the report would be sufficient.

Mr Howard also noted that the Government was promoting the use of electric vehicles and suggested that the Council should seek support from central funding.

In response, the Group Manager advised that this was a scalable proposal that would enable the Council to fund a pilot project that would allow it to assess the usage and demand. With regard to the wider car parking strategy, she advised that part of the proposed investment would be utilised to support the provision of infrastructure. The Group Manager also confirmed that Central Government funding was available and some additional provision had been announced in the Chancellor's Autumn Statement. The availability of funding would be considered in depth as part of any detailed business case.

Mr Adams expressed his support for electric vehicles and suggested that the Council should encourage the provision of the necessary infrastructure in any new commercial developments. He considered that the Council's role was to encourage provision, not to act as the provider. He noted that it was suggested that a charging point could be provided at the Council's depot and questioned whether Ubico operated any electric vehicles. The Group Manager advised that the Head of Environment and Commercial Services was considering this amongst various other options. Mr Adams suggested that vehicle manufacturers would also be keen to promote the provision of charging points.

Mr St John thought the unit cost to be expensive and questioned whether it fell to the Council to provide such facilities in public locations. He suggested that it might be more appropriate to grant fund home charging points. In response, Mr Emery stated that individual grant funding would be far more expensive and the Group Manager advised that grant funding was already available for residential premises. Current technical limitations meant that it was difficult for users to ensure that their vehicles remained fully charged and the provision of charging points in town centre locations would help support the local economy.

In response to a further question from Mr St John, it was explained that there were different charging models and that it would be up to the Council to decide whether or not it wished to levy a fee. Mr Adams suggested that, if no fee was levied, people would use charging points for unlimited parking. In response, Mr Emery advised that waiting limits would still apply to charging points and the Group Manager confirmed that, whilst there may be a need to revise elements of the existing Parking Orders, waiting limits would be enforced.

Mr Good advised the Committee that the issue was far more complex than it appeared. He assured Members that the Working Party had considered the various issues that had been raised and stressed that the purpose of the report before Members was to consider whether or not to pursue the matter further by recommending a budget allocation.

Mr Postan indicated that electric vehicles were the way of the future and, although there were various options including hydrogen cell technology, all relied upon electrical functions. The introduction of electric vehicles would allow for the centralisation of the production of energy and lead the way to the introduction of autonomous transport. The Council needed to introduce and promote the concept. Doing so would promote the local economy and show that West Oxfordshire was a forward thinking authority.

Mr Saul noted that the market was unlikely to provide charging points in town centre locations and would rely upon others to take the lead. The provision of charging points would help support the local economy and demonstrate that the Council was prepared to fulfil that role.

It was proposed by Mr Howard and seconded by Mr Adams that the Cabinet be recommended to include the sum of £250,000 within the Capital Programme for 2018/2019 to facilitate the provision of electric vehicle charging points and on being put to the vote the proposition was carried.

RESOLVED: That the Cabinet be recommended to include the sum of £250,000 within the Capital Programme for 2018/2019 to facilitate the provision of electric vehicle charging points.

62. TREASURY MANAGEMENT STRATEGY STATEMENT AND CAPITAL STRATEGY
2018/2019 – 2020/21

The Committee received and considered the report of the Group Manager Go Shared Services regarding the Council's Treasury Management Strategy and the Capital Strategy for 2018/2019, together with the Prudential Indicators, MRP Statement and the use of Specified and Non Specified Investments.

In introducing the report, the Group Manager explained that the scaling up of local authorities' investment in property and assets had led to changes in CIPFA's Treasury Management Code and the Prudential Code to require councils to produce a Capital Strategy. The document before Members was an initial draft that might require updating but offered the Committee the opportunity to provide feedback for consideration by the Cabinet.

Mr Emery advised that the Council's investment practice was in accordance with the new code and the Group Manager explained that concerns had been raised as a number of authorities were borrowing from the Public Works Loans Board to fund capital investment in order to generate income to plug funding gaps. The updated Code of Practice called for greater transparency as concern had been expressed as to the strength of some investments. The Group Manager confirmed that there were no such issues in West Oxfordshire and Mr Morris explained that some authorities had been investing in projects such as shopping centres to revitalise ailing town centres. There were concerns that such investment would not generate the necessary level of return but Mr Morris assured Members that West Oxfordshire's investment portfolio did not carry the degree of risk evident in some.

Mr Howard questioned whether an allowance had been built in to account for the anticipated level of housing growth and the Group Manager confirmed that this had been addressed in the Council's Medium Term Financial Strategy.

Mr Good drew attention to the interest forecast at page 5 of the report and given recent uncertainty in the stock market, questioned whether the Council's Treasury Management Advisors remained confident in their prediction. In response, the Group Manager advised that the forecast was given at a point in time but there was no suggestion of any change. The Group Manager confirmed that she had no concern in this regard. The stock market always displayed a high level of volatility and, when questioned as to the impact of an interest rate rise she indicated that this would be good in terms of the Council's cash investments. The Council had no external borrowing and it was forecast to continue internal borrowing although external borrowing could be considered if the circumstances warranted.

Mr Cooper questioned whether all income generating properties were included in the list at Appendix B and the Group Manager advised that only those acquired for investment

purposes were included. Mr Cooper made reference to certain residential property in Woodstock for which the Council received a ground rent and the Group Manager undertook to discuss this matter with him in detail at a later date.

Mr Postan noted that a rise in interest rates would impact upon the Pension Fund, reducing the deficit.

RESOLVED: That the information provided be noted and the Council's Treasury Management Strategy and the Capital Strategy for 2018/2019, together with the Prudential Indicators, MRP Statement and the use of Specified and Non Specified Investments be endorsed.

63. TREASURY MANAGEMENT ACTIVITY AND PERFORMANCE 2017/2018

The Committee received and considered the report of the Group Manager Go Shared Services, copies of which had been circulated, regarding treasury management and the performance of internal and external Pooled Funds' activity for the period 1 April to 31 December 2017. The report also invited Members to consider any changes to pooled funds having regard to advice from the Council's Treasury Management Advisors.

The Group Manager advised that performance had exceeded investment targets and drew attention to the performance of two particular funds which, in addition to providing an income, had demonstrated a capital gain. The Threadneedle Equity and M&G Global Equity funds showed significant capital gains and the question now arose as to whether to realise those gains and reinvest elsewhere or to continue to hold the funds.

The Group Manager advised that there was a degree of uncertainty as to whether capital growth would continue or had plateaued out. In response to a question from Mr Emery, she confirmed that this was not a capital investment and, if realised, it was recommended that the capital gains be reinvested.

Mr Cottrell-Dormer questioned whether any alternative investment would perform as well. The Group Manager advised that the Council's Treasury Management Advisors had identified four funds whose past performance in terms of revenue generation had exceeded the current holdings. In addition, reinvestment would enable the Council to spread the risk beyond equities. Mr Cottrell-Dormer expressed his support for the Officer's suggestion.

Mr Howard acknowledged the merits of realising the uplift but noted that it was possible that the Council would be looking to borrow by 2020. He suggested that the Council could defray the need for borrowing if it chose not to reinvest the total sum gained. The Group Manager advised that the capital gains could be reinvested without prejudicing the Council's position as its existing portfolio of pooled funds offered a high degree of liquidity and consequent flexibility.

Mr Postan concurred that the Council should secure the capital gain as this represented an equity gain arising as a result of global activity. As such it was a windfall gain which should be secured and diversified.

Mr St John noted that some £3Million was currently invested in equity pooled funds, indicating that these represented a higher risk. He questioned whether this was an appropriate apportionment and asked what the Council's advisors had suggested in terms of replacement expressing concern that higher returns would be subject to higher risk. In response, the Group Manager advised that Arlingclose had identified investments returning in excess of 4% and explained that diversified risk could lead to higher returns as the

proposed investments looked to generate income rather than a capital gain. Whilst the current investments generated a higher combined level of return, it could not be accessed until the investments were liquefied.

Mr Postan stressed that any alternative investments should favour funds whose yield was based upon dividends, not capital returns.

Mr Good suggested that such decisions should be taken by the Council's professional Officers having regard to advice from the Council's Treasury Management Advisors. The Group Manager advised that such decisions were taken under delegated powers but that the current report offered Members the opportunity to consider the suggestions and express their views.

RESOLVED: That Officers be advised that the Committee is content with the proposition that capital gains in the Threadneedle Equity and M&G Global Equity funds be realised and those gains reinvested elsewhere.

64. REVENUES AND HOUSING SUPPORT SERVICES RECOVERY POLICY

The Committee received and considered the report of the Group Manager for Revenues and Housing support, together with the revised Revenues and Housing Support Services Recovery Policy.

RESOLVED: That the content of the revised Revenues and Housing Support Services Recovery Policy be noted.

65. RURAL BROADBAND PROJECT

The Group Manager ICT, Change and Customer Services provided an update on the progress of the Rural Broadband Project. He advised that work had commenced on the ground in South Leigh and Tackley before Christmas and that cable was being installed at present. The system was set to go live in Tackley on 13 February.

Work was due to commence in Kencott, Ducklington and Church Hanborough in the next few weeks and Aston shortly thereafter. The infrastructure installation was proceeding well and cable was being laid. It was anticipated that it would soon be possible to start providing services.

Virgin Media had been unable to service a number of premises previously under review and the Council had been able to work with Gigaclear to provide a service to some 300 additional properties at no additional cost. A further 135 properties were to be serviced at a cost of £56,000 which was to be met from savings from the original project funding secured as the project management had been undertaken in-house.

In short, the project was proceeding well and it was anticipated that the service roll-out would be on or ahead of schedule. The target of 99.5% coverage was easily achievable.

Mr Cottrell-Dormer expressed some concern at the disruption caused by installation work in Tackley and indicated that few if any residents wished to take advantage of the service available. In response, the Group Manager advised that there had been some issues as the weather had made reinstatement work difficult. He confirmed that the Council was

working with the County Council and the contractors to address these issues and advised that further reinstatement work would be carried out once the weather allowed.

With regard to take-up, he indicated that, whilst current residents might not wish to utilise the service, future residents were more likely to do so. The infrastructure provided was based upon proven technology and would have a long service life, enabling future residents to benefit from the current investment. He explained that it was not possible to provide services to communities on a piecemeal basis as the infrastructure was a network based solution.

Mr Dingwall expressed his thanks to the Group Manager and the Council's Business Development Officer for their work on the project as he was unaware that it had been decided not to engage the services of a Project Manager.

Mr Cooper enquired whether the Council's aspiration to secure 100% coverage would be met and the Group Manager advised that, whilst the Council's ambition was to achieve 100% coverage, some 99.8% of properties would now be covered. There were still a number of premises under review and it was hoped to achieve as close to 100% coverage as possible.

Mr Howard expressed his support for the project which was of great benefit to local residents.

In response to a question from Mr Emery, the Group Manager advised that a question and answer session was to be held at South Leigh and Gigaclear had responded to issues raised by the Parish Council.

RESOLVED: That the information provided be noted.

66. CALL IN OF CABINET DECISION – REVIEW OF THE FUTURE MANAGEMENT OF REVENUE GRANTS

The Committee received and considered the report of the Head of Democratic Services which sought consideration of the call-in request relating to Cabinet minute No. 103(c) of 10 January 2018 regarding the future management of revenue grants.

Mr Cooper suggested that there were differing views as to the benefits of Citizens Advice West Oxfordshire and indicated that the organisation provided added value to the financial support provided by the Council through the value of the work of its volunteers. The work of Citizens Advice was of value to the Council and to the residents of West Oxfordshire. As society became more complex there were those who required an independent resource to intercede on their behalf to resolve their difficulties.

Mr Cooper stated that, rather than to see the commissioning of specific services, he would prefer Citizens Advice to retain the flexibility to provide services as required. Mr. Cooper questioned why this organisation was the only one identified to be funded in this way and Mr. Emery suggested that this could be seen as a reflection of the organisation's significance.

Mr Cooper expressed concern that providing funding in such a way could prejudice the independence of the organisation and questioned whether the Council's representative to the Board had voiced any disquiet.

In conclusion, Mr Cooper indicated that he wished to ensure that Citizens Advice remained as open as possible to the public and as free as possible to provide support to the residents of West Oxfordshire.

Mrs Baker indicated that, on assuming responsibility for this aspect of the Council's function, she had identified a need to review the grants procedure to devise a more transparent process. She stressed that, whilst the process may be revised, budget provision was to remain unchanged.

The Group Manager for Revenues and Housing support advised that he had been in discussion with the Chief Executive of Citizens Advice over the proposals and explained that, in the past, the Council had simply received a general report on the activities of the organisation which included a variety of areas that fell outside the Council's remit and for which the organisation received funding from elsewhere.

The majority of its workload related to four specific areas; benefits, debt, employment and housing. In order to provide transparency it was essential to devise a proper specification and to receive a rounded report in order that performance could be monitored by both parties. There were a number of areas such as utilities or immigration and asylum addressed by the organisation that were outside the Council's purview. Funding through a commissioning process would allow for monitoring and transparency and could possibly release funding that could be employed more effectively elsewhere. Citizens Advice would also be able to apply for funding from other sources for those elements of its work not covered by the Council.

The Group Manager acknowledged that Citizens Advice provided benefits to the Council but, without more detailed reporting arrangements, the extent of these was impossible to define. The Council provided some £132,000 of funding each year and the current reporting procedure included areas which were not within its remit.

The proposed arrangements would offer the same level of funding for the same services but would specify what was to be provided more accurately. The Group Manager also noted that Citizens Advice sub-contracted the provision of certain services to other organisations; for example referring debt management issues to Christians Against Poverty. There was an argument that such services should be funded directly or directed towards similar organisations such as Oxfordshire Welfare Rights or Age Concern.

The Group Manager advised that Citizens Advice operated in the same way as was proposed in North Oxfordshire and Cherwell and that such arrangements were common practice nationally.

Mr Saul considered that it would be preferable if funding was not ring-fenced, enabling service provision to be user driven. He expressed concern that, if the Council went down the commissioning route, Citizens Advice would be limited in what services it could offer. The Group Manager reiterated that funding would still be available for the four key service areas and that, should the organisation wish to undertake any specific projects, it could apply for additional funding through the normal grants process.

Whilst he agreed that Citizens Advice should be able to provide support to the community as and where required, he considered that the public would think it incumbent upon the Council to be able to account for the way in which public money was spent. The proposed arrangements would enable the Council to continue to provide financial support but in a way that it could control and understand with clear accountability for public funds. For this reason, he indicated that he was unable to support the call-in request.

Mr Good indicated that problems and priorities could change over time and, in consequence, there was a need for the Council to be able to control its expenditure. He compared the level of funding received by Citizens Advice with that of other voluntary organisations such as Volunteer Link Up which provided patient transport services. Times and requirements changed and Mr Good considered the proposed arrangements to represent the best way forward. Whilst he felt unable to support the call-in request, he welcomed the discussion generated.

Mrs Baker stressed that it had been important to review the grants process as no consideration had been given to the matter for over 10 years and grants were being awarded in a somewhat arbitrary fashion with no formal application process. The needs of the community had changed and would continue to do so. The proposed arrangements were more transparent and fairer for the many organisations that also needed the Council's support.

In conclusion, Mrs Baker thanked Officers for their efforts in reviewing the scheme and in the preparation of a clear and concise report.

Having been proposed and duly seconded it was:-

RESOLVED: That the call-in request be not supported.

67. MEMBERS' QUESTIONS

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

The meeting closed at 3:55pm

CHAIRMAN