

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 2pm on **Wednesday 2 October 2019**

PRESENT

Councillors: Derek Cotterill (Chairman); Alex Postan (Vice Chairman); Alaa Al-Yousuf, Rosa Bolger, Julian Cooper, Jane Doughty, Gill Hill, Richard Langridge, Dan Levy, Harry St John, Elizabeth Poskitt and Geoff Saul.

Also present: Councillor Duncan Enright

30. MINUTES

RESOLVED: That the minutes of the meeting of the Committee held on 17 July 2019 be approved as a correct record and signed by the Chairman.

31. APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

Apologies for absence were received from Councillor Harry Eaglestone and the following resignations and temporary appointments were reported:-

Councillor Jane Doughty for Councillor Crossland

Councillor Elizabeth Poskitt for Councillor Liz Leffman

32. DECLARATIONS OF INTEREST

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

33. PARTICIPATION OF THE PUBLIC

Mr Justin Bowles addressed Members in accordance with the Council's Rules of Procedure with regards to Agenda Item 11, Treasury Management Activity and Performance. A summary of his submission is attached as Appendix A to the original copy of these minutes.

34. TREASURY MANAGEMENT ACTIVITY AND PERFORMANCE

The Committee received and considered the report of the Chief Finance Officer which advised Members of the treasury management activity and performance of internal and external fund managers for the period 1 April 2019 to 31 August 2019.

The Council's External Financial Advisors, Arlingclose, attended the meeting and provided Members with a comprehensive update of the Council's investments. The presentation covered a number of areas including West Oxfordshire's Investments, Real Estate Investment Trust's (REIT's) and in particular gave an overview of the 'Fundamentum' REIT, Ethical Social Global (ESG) alternatives and the economic overview and credit conditions.

The overview provided on 'Fundamentum REIT' was included to assist Members in deciding whether or not they supported the opportunity for the Council to invest £1m in the Fundamentum Social Housing Real Estate Investment Trust (REIT).

Arlingclose's representative, Phiroza Katrak, answered a number of questions from Members including the pros and cons of accepting a lower return for socially responsible investments and the impact that Brexit could have on the economy and money markets on 31 October.

With regard to the Fundamentum REIT, Councillor Postan queried whether, as it was a new venture, the Council could monitor the performance of the trust and wait to invest in the secondary market. An alternative would be to invest half of the money in the first year, followed by the other half in the second year.

The Committee also discussed the CCLA's Climate Change and Investment Policy which stated "We do not invest our clients' assets in companies that have been identified by our third party data provider, MSCI, **as generating more than 5% of their returns from the extraction of energy coal or tar sands.**" Some Members felt that even 5% was too high and had hoped to be able to invest in companies who generated less than 5% of their returns from the extraction of fossil fuels. However, it was highlighted that it was difficult to achieve a lower figure when most investments involved the use of freight, fuel and heating at some stage in the process.

Councillor Al-Yousuf stated that as an Oxfordshire Pension Fund Committee Member, the issue of ethical investments was often discussed at great length at their meetings. He advised that the Committee had a Statement of Investment Principles which included a section on Social, Environmental and Ethically Responsible Investment. This Statement was available online and he encouraged the Treasury Management team to draft an appropriate statement.

Councillor Al-Yousuf also pointed out that Oxfordshire Pension Fund benefited from being a member of the Brunel Pension Partnership and that perhaps a treasury management pool could be created with the Council's partners in Publica or other councils to take advantage of economies of scale in the selection of advisers, fund managers, negotiation of fees, and the adoption and monitoring of ethically responsible investment policies.

He was due to attend a workshop in November which hoped to address the issues objectively and he suggested that a similar forum could be established at West Oxfordshire to discuss concerns.

Members thanked Ms Katrak for attending and providing such a comprehensive presentation and answering their questions.

RESOLVED that

- a) the Treasury Management and the performance of in-house and external Pooled Funds' activity for the period 1 April 2019 – 31 August 2019, is noted; and
- b) the opportunity to invest £1m in the Fundamentum Social Housing Real Estate Investment Trust (REIT) be supported with the Chief Finance Officer, in conjunction with the Council's Treasury Management advisors, determining the timing of any investments either in the initial offering or secondary market.

35. 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 17 July 2019.

Councillor Cooper queried paragraph 1.4 of the report which related to the Local Authority Partnership Purchase Scheme and was advised that this was covered in the Committee Work Programme.

The report was noted.

36. COMMITTEE WORK PROGRAMME 2019/2020

The Committee received and considered the report of the Head of Democratic Services, which provided it with an update on the Work Programme for 2019/2020.

The report was noted.

37. CABINET WORK PROGRAMME

The Committee received and considered the report of the Head of Democratic Services which gave Members the opportunity to comment on the Cabinet Work Programme published on 25 June 2019.

Councillor Cooper asked officers to explain the criteria the Management Team used to decide which consultations West Oxfordshire District Council responded to. The Group Finance Director advised that it would depend on a number of issues including whether the Council was a formal consultee or how much the matter would impact on West Oxfordshire.

RESOLVED: That progress with regard to the Committee's Work Programme for 2019/2020 be noted.

38. PUBLICA UPDATE

The Committee received an update on the progress of the Council's service delivery company Publica after the end of the financial year. Members also received an update on the transformation programme.

The Group Finance Director, Frank Wilson, addressed Members and explained that the update had been submitted to the scrutiny committees at each of the partner councils and highlighted how far service delivery had come. He advised that staff would be contacted shortly to be advised that a new consultation would be opening on the pay scales aspect of Terms and Conditions. A small number of staff would lose out due to the changes but their salary would be protected for three years.

The Group Manager for Commercial Development, Bill Oddy, delivered a presentation on Digital Modernisation which covered the introduction of the new Customer Relationship Management system, Salesforce, and demonstrated the benefits this had, and would continue, to bring to each Council.

Management Graduate Trainee, Coco Chan, then provided a demonstration of the Salesforce system which showed Members how a service request was processed from receipt to conclusion and the valuable of data that could be recorded from each contact.

In response to a question from Councillor Bolger, Ms Chan explained that although this was one system working across each of the partner councils, the advice remained client specific and worked for each locality.

Bill Oddy advised that 'Salesforce' was an American programme and the developers had recognised that District Councils were struggling to keep pace with private companies in

the digital era. It was hoped that the experience gained by officers at Publica could assist other small authorities to improve their platforms.

Councillor Postan queried whether there was the potential to introduce voice activated software into the system. Although officers were unsure at this stage, they agreed to work with the developers and ask if it would be possible. Councillor Postan was encouraged to provide his input in this aspect.

Councillor Langridge welcomed the idea that the system may be able to recognise if it was a Councillor calling customer services and officers advised that there would be a new, dedicated Councillor contact telephone number being rolled out shortly.

Councillor Enright suggested that it could be useful to be able to access a 'Councillor Dashboard' and it was agreed that this could be used to provide Members with information about what was happening in their Ward.

Ms Chan explained that cases could only be accessed by one individual at a time, avoiding the potential for two operatives working on the same query. The system also provided an 'exceptions dashboard' which flagged up the queries that had not been adequately completed.

In response to a question from Councillor Cooper, officers advised that the system did not currently identify the urgency of calls but discussions were taking place to transform the system. The issue of different towns or villages having the same street names was also discussed and was easily overcome by requesting the postcode at the outset.

RESOLVED that the report be noted.

39. LGA CORPORATE PEER CHALLENGE ACTION PLAN – PROGRESS REPORT

The Committee received and considered the report of the Chief Executive which asked Members to review the progress made against defined action within the Corporate Peer Challenge Action Plan, prior to consideration by Cabinet on 16 October 2019.

The papers provided a progress report set against the agreed action plan, formed as a response to the Corporate Peer Challenge. An up to date commentary on progress was provided for each of the recommended actions in the schedule at Annex 1 to the report.

Annex 1 highlighted that significant progress had been made in a number of areas and it was felt that the Peer Challenge had been a valuable resource in charting the Council's development work.

RESOLVED that the report be noted.

40. DRAFT COUNCIL PLAN 2019-2023

The Committee received and considered the report of the Chief Executive which asked Members to consider and make comment on the draft Council Plan for 2019-2023.

The report reminded Members that the Council's extant corporate plan covered the period 2016-19. As such a new Council Plan had been produced, using evidence and learning derived from a number of sources including the Corporate Peer Challenge undertaken in October 2018. A range of evidence had been reviewed and summarised and was provided in an Evidence Paper, included at Annex 2 to the report. Early preparatory work had included a liaison meeting in March 2019 between Council's Leader, Cabinet

Members and West Oxfordshire's Town and Parish Council meetings. A further consultative session with Towns and Parishes was planned for 10 October 2019.

The current plan was presented as flat text and was attached as Annex A to the report.

The report also set out the Council's vision across a set of priority themes, as detailed at section 2.5 of the report, and members were asked to comment so that their views and insights could be taken into account in developing the final version of the plan.

The Chairman, Councillor Cotterill, queried one of the actions relating to Key Priorities listed under 'Stronger Local Communities' in Annex A. The action was described as:

"Encouraging towns and parishes to engage with their residents in order to articulate local priorities and support them to address these."

Councillor Cotterill did not feel that many parish council's communicated, interacted or received support from the District Council on any matters unless they related to highways or planning. In his experience, the District Council simply did not feature in their meetings.

Councillor Postan queried whether the Salesforce system could be linked in with parishes and suggested that it could be useful to flag up the parish clerk's details in the system.

RESOLVED that the report be noted and any comments be sent to the Committee Services Officer to enable them to be communicated to officers, prior to its consideration at Cabinet.

41. SERVICE PERFORMANCE 2019/2020 QUARTER ONE

The Committee received and considered the report of the Group Manager, Strategic Support which provided information on the Council's service performance at the end of Quarter 1 of 2019/2020.

The report advised that the performance and progress in the service areas relating to the work of the Committee were submitted quarterly, for Members to review and challenge if necessary. Annex A to the report provided an overview of service performance in Customer Services, Business Support Services, Democratic Services and Revenues and Housing Support. A summary of progress for the key tasks relating to the work of the Committee was provided at Annex B to the report.

The report highlighted specific areas of interest including those performance indicators that had received a 'red' rating and provided an explanation of the circumstances and mitigating factors relating to it. Similarly, some indicators were awarded an 'amber' rating, and these were explained further in section 2.7 of the report.

The third area of work brought to the Committee's attention was the Annual Review Letter 2018 from the Local Government Ombudsman. A summary was provided of the complaints received about the Council, the subsequent investigations and the outcome of those findings.

Councillor Cotterill highlighted the Performance Indicator relating to the percentage of telephone calls answered within 20 seconds (ICC4), on page 6 of the report. Whilst at first sight this data did not appear to be satisfactory, he advised Members to refer to indicators ICC2(b) and ICC2(c), on page 5 of the report, which evidenced that 99% and 93% of users were satisfied with the service from advisors.

RESOLVED that the report be noted.

42. MEMBERS' QUESTIONS

In response to a question from Councillor Cooper, officers agreed to investigate why the Building Control service consistently did not hit targets.

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

The meeting closed at 4.34pm

CHAIRMAN