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PERFORMANCE & CORPORATE SERVICES OVERVIEW & SCRUTINY COMMITTEE

MINUTES of the meeting held on Thursday, 19 January 2023 commencing at 10.00 am and finishing at 1.17 pm

Present:

Voting Members: Councillor Eddie Reeves – in the Chair

Councillor Michael O'Connor (Deputy Chair)

Councillor Brad Baines

Councillor Neil Fawcett

Councillor Donna Ford

Councillor Damian Haywood

Councillor Bob Johnston

Councillor Kieron Mallon

Councillor Ian Middleton

Also in Attendance:

Councillor Liz Leffman, Leader of the Council

Councillor Liz Brighthouse, Deputy Leader of the Council and Cabinet Member for Children, Education and Young People's Services

Councillor Calum Miller, Cabinet Member for Finance

Councillor Glynis Phillips, Cabinet Member for Corporate Services

Councillor Dr Pete Sudbury, Cabinet Member for Climate Change Delivery and Environment

Councillor Duncan Enright, Cabinet Member for Travel and Development Strategy

Councillor Jenny Hannaby, Cabinet Member for Community Services and Safety

Councillor Mark Lygo, Cabinet Member for Public Health and Equality

The Scrutiny Committee considered the matters, reports and recommendations contained or referred to in the agenda for the meeting [, together with a schedule of addenda tabled at the meeting/the following additional documents:] and agreed as set out below. Copies of the agenda and reports [agenda, reports and schedule/additional documents] are attached to the signed Minutes.

1/23 **APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS**

(Agenda No. 1)

No apologies for absence were received.

2/23 DECLARATION OF INTERESTS - SEE GUIDANCE NOTE ON THE BACK PAGE
(Agenda No. 2)

There were none.

3/23 MINUTES
(Agenda No. 3)

The minutes of the Performance and Corporate Services Overview and Scrutiny meeting held on 9 December 2022 were agreed as a correct record and signed by the Chair.

4/23 PETITIONS AND PUBLIC ADDRESS
(Agenda No. 4)

There were none.

**5/23 UPDATED STRATEGIC PLAN AND FUNDING AND BUDGET PROPOSALS
2023/24 - 2025/26**
(Agenda No. 5)

1. The Performance and Corporate Services Committee was invited to consider and comment on:
 - a. Proposed strategic Plan for 2023/24 to 2025/26
 - b. Updates to revenue budget proposals for 2023/24 to 2025/26 by directorate
 - c. Proposals for the use of the Budget Priority Reserve
 - d. Proposed additions to the capital programme
 - e. Review of fees and charges

STRATEGIC PLAN

2. The Leader of the Council provided an overview of the Council's proposed Strategic Plan for 2023/24 to 2025/26.
3. The 2023-2024 framework was built from nine strategic priorities, 25 commitments and 49 objectives. The latter were SMART and would be summarised in a report to Cabinet on a bimonthly basis. This draft Strategic Plan was to be considered at Council following approval of the budget.
4. The Cabinet Member for Corporate Services added that the nine strategic priorities were grouped into three themes – 'greener, fairer, healthier' – and were linked to engagement and consultation feedback received from the Oxfordshire Conversation events, budget consultation and the resident satisfaction survey.
5. Whilst mainly a continuation of the previous Strategic Plan, there were two new objectives which related to the cost of living crisis and the NHS and integrated care system.

6. An annual performance report would capture the achievement, success and challenges throughout the first year of the Strategic Plan. At the end of the fourth quarter, the underlying supporting performance measures across all nine priorities would be reviewed and updated. Targets supporting the delivery of the priorities would also be reviewed, updated and reported within a business management report that was considered at Cabinet on a bi-monthly basis.
7. In response, the Committee explored a number of issues, most notably around which priorities were felt to be the most crucial by the administration; monitoring and reporting arrangements; the benefits and challenges of partnership working; the links between the Strategic Plan and other Budget and Policy Framework documents; green growth and rural transport.

Issues raised by Members:

8. Asked which of the nine priorities was considered the most important in the current financial year, the Leader responded that climate action and tackling inequalities were at the core of the Council's focus. These priorities were reflected across many of the other Council's priorities.
9. A Member enquired as to how the Council would monitor and report – and to what level of detail - on the delivery of the commitments in the Strategic Plan. The Member also asked over what timescale the Council expected to achieve and deliver on the commitments.
10. In response, the Cabinet Member for Corporate Services explained that detailed plans underpinned each of the objectives and would be monitored through an action plan. The Cabinet Member acknowledged the importance of specific, measurable outcomes and reassured the Committee that they would be detailed in an annual report and brought to a future meeting of the Committee for discussion.
11. A Member queried whether there were targets and standing commitments in place for achieving specific outcomes with regard to tackling inequality across Oxfordshire.
12. Having explained that some of the Council's work around inequality was being done in partnership with other organisations through the Health and Wellbeing Board, the Leader supported the idea of exploring how they could better communicate targets and commitments in the report.
13. Cabinet Members assured the Committee that the Council was working with the district councils, Oxford City Council and the voluntary sector to identify and help smaller pockets of deprivation within the county. Partnership working was foundational to what the Council wished to achieve and was stated to be the most impactful way of tackling inequality.

14. The Committee recognised the core requirement for partnership working but sought assurance that partnership work was effective and should not obviate the need for the Council to demonstrate that it was making an impact in its own right, irrespective of whether its partners contributed as fully as anticipated.
15. The Vice-Chair stated that the 'Working with Partners' priority lacked detail. The Vice-Chair sought to know with whom the Council was working with, to what purpose, and in what configurations to deliver the broader 'environmental, economic and social' priorities.
16. The Deputy Leader noted that the educational attainment gap was a significant issue in Oxfordshire, particularly given the link between educational attainment, inequality and social justice. Reducing inequality was a thread that underpinned the majority of the Strategic Plan.
17. The Committee stated the importance of demonstrating due regard to capacity building within the organisation to tackle current and anticipated social problems and resultant inequalities, and the importance of target setting as part of the Strategic Plan.
18. The Committee felt it should be able to be assured that the Council's stated aspirations are underpinned by a wider policy framework which also aligns with them. The Committee noted that alongside the Strategic Plan lay 49 objectives which would help illustrate this, but there should be more direct commentary on how the outline of what the Council agreed to do in its Budget and Policy Framework aligned with the strategic priorities it chose to address.
19. Thus, the Committee requested clearer KPIs for measuring the Council's nine strategic priorities. The Committee requested to be consulted on any changes to the ongoing business monitoring and reporting system.
20. A Member felt that the report failed to sufficiently mention a commitment and targeted approach to green growth, green economy and green jobs and the Council's objective to facilitate research and collaboration to drive environmental innovation may not be sufficiently ambitious a response to the Climate Emergency. The Committee believed that further thought as to what else the Council might do to support local green growth was needed.
21. The Committee argued that greater clarity within the Strategic Plan of the importance of rural bus services was needed, specifically regarding minimum service levels and especially given the link between public transport and a number of the Council's strategic priorities. The Committee indicated that the Council might devote more space in its Strategic Plan to this issue owing to the opportunity it affords to make positive contributions to so many of the Council's strategic priorities.

RESOLVED:

- i) The Performance and Corporate Services Overview and Scrutiny Committee RECOMMENDS that the Council demonstrates due regard to capacity building within the organisation to tackle social problems and resultant inequalities.**
- ii) The Performance and Corporate Services Overview and Scrutiny Committee RECOMMENDS that relevant officers continue to update Scrutiny for 12 months on progress made against actions committed to in response to the recommendations, or until they are completed (if earlier).**

SCRUTINY OF POST-CONSULTATION BUDGET PROPOSALS 2023/24 – 2025/26

22. The Cabinet Member for Finance thanked the Committee for its observations following the 9 December 2022 meeting and provided a verbal response to the following action from the 9 December 2022 meeting of the Committee:
- a. *“That the Cabinet Member for Finance write to the Committee outlining how the Committee’s comments and recommendations from the previous year’s budget scrutiny had been incorporated into budget management over the previous 12 months”.* The Committee requested that the Cabinet Member for Finance provide this response in writing.
23. The Cabinet Member presented to the Committee on the main changes between the consultation and post-consultation budget proposals, and explained that the Council’s funding position had been updated since the 9 December 2022 meeting of the Committee, based on information received following the Local Government Policy statement published on 12 December 2022, as well as changes to the budget proposals published as part of the report for the Committee on 9 December 2022. Changes also reflected feedback from the budget engagement and consultation and the Committee’s observations following the previous meeting.
24. The Council’s goals were threefold: repair finances and ensure preparedness for the future; ensure sufficient funding to deliver key frontline services; and take into account the consultation findings when planning areas of savings and investments.
25. The Cabinet Member reminded the Committee that the budget had been set within a period of significant financial pressure driven by inflation and demand. The political and economic situation was volatile and further pressures that emerged since the Autumn Statement totalled £19.4m. On top of the £8.7m budget gap per the Committee’s December report, the total budget gap before provision local governance finance settlement totalled £28.1m.
26. The Cabinet Member elaborated on the following key points:

- a. Total funding changes for 2023/24 totalled £37.1m;
- b. There was £9m remaining funding available to respond to the consultation outcomes, reduce savings or fund further pressures;
- c. Total proposed changes to savings came to £5.1m;
- d. Total proposed budget increases came to £3.8m;
- e. In addition to the above revenue sums, the Council tax surplus notified was £10.1m more than expected and available one off in 2023/24;
- f. There was a further £0.8m available in the budget priorities reserve, totalling £8.5m. There was still £7.1m to be allocated, of which there were proposals to allocate £4.2m to fund capital investments;
- g. £0.6m remained to support the implementation of further initiatives in the revenue priority fund; and
- h. The balance in the investment pump priming reserve was £2m which had been allocated to three main areas.

27. In response, the Committee focused its queries on a number of issues, particularly the current risk profile of capital spending and its alignment with the Council's strategic priorities, inflation expectations, fees and charges, and issues surrounding proposed reversals to revenue-funded projects – in particular drainage, tree-planting and highway, cycleway and pavement improvements.

Issues raised by Members:

- 28. Members queried the level of detail of proposed capital schemes and questioned whether the capital budget was truly aligned with the Council's priority areas.
- 29. The Committee expressed its desire for closer engagement with the relevant Cabinet Members and senior officers to ensure effective and meaningful ongoing budget monitoring and scrutiny of both capital and revenue spend, with said Cabinet Members reporting proactively to the Committee on any in-year areas of concern as soon as reasonably practicable.
- 30. The Vice-Chair questioned the Council's ability to finance borrowing to part-fund its capital pipeline and larger infrastructure schemes (eg housing infrastructure fund 1 (HIF1)). The year previous, the Committee was informed that costs would be controlled by value engineering and cost management. In an inflationary environment, the capital programme carried an increased risk, and the Vice-Chair sought an honest assessment of the risks involved in big schemes and whether work on value engineering and cost management had started.
- 31. The Cabinet Member for Finance explained that a significant proportion of funding for major infrastructure projects came from national government grants. With regard to HIF1, inflationary pressures were contained, all HIF

schemes were being reviewed, and a significant level of contingency was built into the budget. The next stage was test market pricing against schemes, at which point inflationary pressures could be managed.

32. On the revenue side, the Cabinet Member assured the Committee that each service was expected to pay close attention to market engagement feedback i.e., it was not simply a crude application of OBR forecasting, rather a reflection of a service-by-service estimation based on higher quality, granular knowledge.
33. The Cabinet Member for Travel and Development reiterated that the Council was aware of and closely monitored - partly via the Council's Capital Board - risks associated with HIF schemes and housing and growth schemes. Prior to implementation of large, proposed schemes, evidence that they were fully funded was required.
34. In reply to a query regarding the status of Contract Purchase Orders (CPOs), the Cabinet Member for Transport and Development explained that Cabinet approved a CPO and side road order for HIF1 in July 2022 and work was now required to prepare for issuing. HIF2 had passed a series of CPOs but was since withdrawn and would be reassessed at Cabinet in February 2023.
35. A Member asked for further information on the £1.2m increase for the Council's street lighting replacement programme.
36. The Cabinet Member for Finance explained that the LED replacement scheme, predicated on 'invest to save', made savings that were built into the budget. The £1.2m reflected the significant increase in energy costs, and was a cost that would not be offset. It was evidence that the 'invest to save' approach had been successful, however.
37. A change in policy meant that lighting could now be switched off given certain conditions, eg on quiet, rural highways. Plans needed to be drawn up on implementation of a central controller to enable remote control and improve efficiency, subsequently reducing the energy and environmental impacts of street lighting.
38. While welcoming the increased budget for flood and drainage work, a Member was concerned how residents and community groups might access any funds available and asked whether there were specific plans in place to facilitate access.
39. In response, the Cabinet Member for Finance assured the Committee that the implementation of the flooding and drainage scheme would be communicated to Members. There were two elements to tackling the areas most prone to flooding and implementing practical projects and proactive clearance: rapid response on known issues and engagement with community groups on their flood resilience plans. The Cabinet Member understood the importance of local approaches to supporting flood resilience across the county.

40. The additional £1m for improvements to highways, cycle-paths and pavements was acknowledged. Members were sceptical how much of an impact this increase would truly have and asked whether there was any scope for this figure be increased.
41. The Cabinet Member for Finance stated the importance of a localised and active approach to the improvement of highways, cycle-paths and pavements, responding actively to issues highlighted by Members and local groups. The Council needed to make the most of the funding available via an 'invest to save' approach, and engage with communities to identify priority areas.
42. The £2m budget to address the backlog of road repairs was noted by Members. The Committee asked what material impact this funding would have on the county's road network.
43. The Cabinet Member for Finance responded that the state of highways was of considerable concern. Highway maintenance was expensive and the approximate £11m funding from national government did not cover the approximate £30m annual cost of maintaining the network. This was an area of recurrent and significant capital investment and was thus a difficult funding gap to bridge.
44. An additional £3m had been allocated to support climate action, including tree replacement. Members queried whether this was sufficient to achieve the target of planting of 23,000 trees, plus an additional 3,942 which was a deficit from highways felling. The Council was already responsible for 400,000 highways trees and an additional 160,000 across Oxfordshire County Council (OCC) land.
45. In reply, the Cabinet Member for Climate Change Delivery and Environment explained that the cost of out-sourced, contracted planting and tree management was extremely high and inefficient. The Council needed to work and engage with parish councils and volunteers to reduce costs and improve the efficiency of tree planting and management. The Council had also bid for match funding from the Department for Environment, Food and Rural Affairs (DEFRA) to fund the planting of 6,600 trees across Oxfordshire over a four-year period.
46. The Committee emphasised the importance of ongoing dialogue with parish, town, city and district councils and community groups to develop a clearer understanding of the financial and legal issues involved in joint working with regards to tree-planting and maintenance. The Cabinet Member assured the Committee that the council would work with parishes during the summer, before the planting season, on this issue.
47. It was agreed that the Council should track and report on the number of trees it was responsible for planting over the coming year and the net impact once trees which had been felled where also considered.

48. A Member requested an update on the impact of the termination of the Section 113 shared services agreement with Cherwell District Council.
49. The Cabinet Member for Finance explained that there was an annual direct cost impact of £276,000 going forward. This reflected the cost of the employment liability of senior staff. The Council had benefited from more senior staff time, so it was not a 'wasted' cost. The new Chief Executive would review allocation of senior officer time.

Business was adjourned for fifteen minutes and resumed at 12:17pm.

50. A Member noted that "no revenue proposals were identified as materially negatively impact the council's overall ability to meet its climate action commitments" and asked how confident the Committee could be that this was a truly climate-positive budget that would establish the Council as a national leader on environmental and climate issues.
51. Cabinet Members reassured the Committee that there was a cross-organisational work programme to deliver on the Council's climate commitments.
52. The Committee supported the Council's policy of undertaking a Climate Impact Review of its budget proposals but suggested that this undertaking was not as effective as it could be. The Committee's view was that to address this the Council needed to further embed the consideration of climate impacts into the consideration of budget proposals. The decision making should be able to be evidenced in the presentation of the budget and accompanying narrative.
53. In response to being asked about how fees and charges were determined and used for raising revenue, the Cabinet Member for Finance reported that all services were asked to consider appropriate opportunities to increase their fees and charges in the forthcoming year to raise additional revenue. Some fees and charges were not subject to an inflationary rise by the Council to protect the county's more vulnerable citizens.
54. Given the scale of the fees and charges schedule, there was an annual process of due diligence. The Cabinet Member indicated that perhaps more could be done to remind officers who developed such policies to seek opportunities to fund policy objectives.
55. The Chair observed that it was difficult with the current schedule of fees and charges to unpick whether opportunities for income maximisation or positive behavioural change were being taken. The Committee would expect in future years a fuller narrative to explain the basis by which proposed fees and charges levels were set.
56. The Chair emphasised the importance of measuring how additional investment was spent and allocated relative to the nine strategic priorities. The Committee

recommended that the Cabinet provide within the Budget Council meeting pack a table showing how reversed savings proposals correspond to the feedback and level of support expressed by the consultation.

57. The Committee found it difficult to get a sense of how money had been spent and how or whether that spend related to the Council's priorities. Thus, the Vice-Chair put forward the view that the Council develop an agreed framework through which to judge and rank pipeline revenue projects, to provide a more objective way of identifying which proposals should, when they are being compared, be funded and which should be put up as savings, and how they contribute towards the Council's strategic aims.

58. With inflation strongly influencing the budget, the Chair summarised that the Committee expected the Council to ensure inflationary pressures on contracts reflected service-level inflation as well as nation-wide OBR inflation; that directorates' estimates follow a best practice procedure and are checked centrally' and that in the next budget the Council provided a table showing the inflation outturn versus budgeted estimates.

59. The Cabinet Member for Finance offered to provide a written response to a Member's query regarding increased parking charges in Henley and Abingdon.

ACTIONS

- I. That the Cabinet Member for Finance provide a response in writing outlining how the Committee's comments and recommendations from the previous year's budget scrutiny had been incorporated into budget management over the previous 12 months.**
- II. That the Cabinet Member for Finance provide a written response to a Member's query regarding increased parking charges in Henley and Abingdon.**

RESOLVED

The Committee **RECOMMENDED** that:

- i) Cabinet agree that relevant officers continue to update Scrutiny for 12 months on progress made against actions committee to in response to the recommendations, or until they are completed (if earlier).**
- ii) Cabinet report back to the Performance and Corporate Services Overview and Scrutiny Committee as large capital projects develop in addition to oversight by the Audit and Governance Committee.**
- iii) Cabinet Members for Finance and Corporate Services maintain a close ongoing dialogue to ensure effective ongoing monitoring of**

both the revenue and capital sides of the budget, with said Cabinet Members reporting proactively to the Committee on any in-year areas of concern as soon as reasonably practicable.

- iv) Council ensures that directorates' reported service pressures from inflation reflect specific service-level inflation where relevant rather than nation-wide OBR inflation
- v) Directorates' estimates follow a best practice procedure and are checked at central level.
- vi) That in the next budget the Council provides a table showing the inflation outturn versus budget estimates.
- vii) That the Council develops a revenue pipeline of projects whose order of priority is justified by agreed principles, including their contribution towards the Council's strategic aims.
- viii) Cabinet provides within the Budget Council meeting pack a table showing how savings proposals which were reversed after the consultation budget correspond to the feedback and level of support expressed by the consultation.
- ix) The Council give closer consideration in forthcoming financial years to mainstreaming tackling the climate crisis as a principle of budget design with proposals evaluated at the earliest opportunity according to their impact on the Council's climate targets. The decision making should be able to be evidenced in the presentation of the budget and accompanying narrative.
- x) The Council works with parish, town, city and district councils to develop a clearer understanding over the financial and legal issues involved in joint working with regards to tree-planting.
- xi) The Council tracks and reports on a) the number of trees it is responsible for planting over the next year, and b) the net impact once trees which have been cut down are also considered.

6/23 COST OF LIVING

(Agenda No. 6)

1. The Performance and Corporate Services Overview and Scrutiny Committee was invited to consider and comment on:
 - a. The measures that Oxfordshire County Council (OCC) have put in place to mitigate the effect of the cost of living crisis on residents across Oxfordshire; and
 - b. Planned and proposed future measures.

2. The Cabinet Member for Health and Equalities introduced the report which provided an update on OCC's response to the cost of living crisis and the measures the Council implemented to help residents, lessons learned and planned and proposed work.

Issues raised by Members:

3. A Member noted that current interventions seemed to focus more heavily on crisis intervention and responding as issues emerge, and less on strategic planning to prevent poverty. In the long-run, both were required but the Council should develop more ideas around the latter.
4. Members were concerned that there remained groups for whom accessing the Council's support was challenging. The Committee hoped that the Council would seek to engage a genuine diversity of community organisations as awareness-raisers and take measures to ensure ease of access for the digitally-excluded.
5. In response, the Cabinet Member informed the Committee that the Council worked closely with districts, community champions and the voluntary sector to ensure work was happening at a community level. The importance of partnership working to tackle poverty and inequality was emphasised.
6. The Committee observed that money being sent to those in poverty was utterly vital to its recipients, and this being the case the Council should be mindful to ensure that money disbursed to other organisations was being spent correctly. Given this, the Council should give consideration as to whether to undertake an independent audit to ensure funds were reaching the intended recipients.

RESOLVED:

- i) **The Committee RECOMMENDED that the Council report regularly to the Locality meetings on the spending and activity relating to the cost of living within that locality.**

7/23 ACTION AND RECOMMENDATION TRACKER

(Agenda No. 7)

1. The Principal Scrutiny Officer provided an update on the Committee's Action and Recommendations Tracker.
2. The Performance and Corporate Services Overview and Scrutiny Committee **NOTED** the Action and Recommendation tracker.
3. The Committee requested that indicative timescales for response be allocated to all items on the action and recommendation tracker going forward.

8/23 COMMITTEE'S FORWARD WORK PLAN

(Agenda No. 8)

1. Members received an update on the Committee's proposed work programme for 2023/24.
2. The Principal Scrutiny Officer informed the Committee that every two months the Chairs and Vice-Chairs of the Council's committees met to discuss the BMMR and any issues arising that necessitated scrutiny involvement. The group had noted the high number of red RAG rated indicators within Children's Services as a concern and a priority for scrutiny by the People Committee. Thus, it was suggested that the Performance and Corporate Services Overview and Scrutiny Committee defer its scheduled Social Value item at its subsequent meeting if workload support across the scrutiny committees was required.
3. It was agreed that the Chair and Vice-Chair meet with their People Committee counterparts to discuss the approach to the urgent Children's Services item. A meeting of the Performance and Corporate Services Committee would then be scheduled via Microsoft Teams to discuss and agree its forward work plan for subsequent meetings.
4. The next meeting was scheduled to take place during the pre-election period. It was agreed that this meeting be rescheduled to an appropriate date following the election.

..... in the Chair

Date of signing

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