



**Cabinet
Tuesday, 26 November 2013**

ADDENDA

4. Questions from County Councillors (Pages 1 - 2)

Attached.

5. Petitions and Public Address (Pages 3 - 4)

8. Treasury Management Mid-Term Review (2012/13)

The Audit & Governance Committee considered this report on Wednesday 20 November and noted with concern Investec's performance and that Investec's annualised return for the first six months of the year was 0.00% compared with a benchmark of 1.59%, and RECOMMENDED:

- (i) the Performance Scrutiny Committee to consider the matter further;
- (ii) Cabinet to note concerns in relation Investec's performance as noted in paragraph 29 in the Council's Mid-Term Treasury Management Review 2013/14.

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ITEM 4 – QUESTIONS FROM COUNTY COUNCILLORS

Question received from the following Member:

From Councillor Howson to Councillor Nimmo Smith

1. “Is there any S106 moneys available to provide cycle racks outside Belsyre Court on the Woodstock Road just north of the new Radcliffe Observatory Quarter?”

Answer

“We currently hold a £7,782 from a S106 which could be used to install bike racks in the location. I would be more than happy for Councillor Howson to discuss his ideas with officers”.

2. “Would you consider the painting of a white line along the middle of the Marston Ferry Road cycle track, either all the way or just at each end to help with separating cyclists travelling in opposite directions at times of peak flows?”

Answer

“The Marston Ferry Road cycle track is for the most part very wide and has worked well for many years now – largely without segregation. Where it narrows at the Cherwell School end, there are some central segregation markings along with cycle symbols. I’d be happy for you to talk to officers about your specific concerns about how the cycle track is working who could then make an assessment of the need for better or more segregation.”

3. From Councillor Fooks to Councillor Nimmo Smith

“I asked at the last Cabinet for information on how much money is held by the County Council as S106 contributions to ‘cycling measures’ and how will its spending be decided?. I have not yet had a reply. Please could you let me have this information as soon as possible?”

Answer

“The County Council currently holds a total of £633,000 of developer funding specifically for investment in ‘cycling measures’.

In areas where there is an agreed transport strategy in place funding is secured and then allocated on the basis of schemes identified within that strategy. Schemes are then designed and delivered using the County Council’s capital programme process. This approach is followed for funding secured for Oxford, Banbury, Bicester, Science Vale, Witney and Carterton.

Where developer funding is held for locations outside areas with agreed transport strategies, the Member locality meetings will be used to help identify potential schemes for the funding to be allocated.”

4. From Councillor Roz Smith to Councillor Fatemian

"What has been the financial cost to the council, (so far this year), of the external fund manager, Investec's failure to reach their benchmark return?"

Answer

“In line with relevant guidance and as outlined in the Council's Treasury Management Strategy for 2013/14 the primary objective in relation to investments is the security of cash. This is followed in importance by liquidity and yield, in that order. As such, the Investec investment was aimed at achieving diversification, in terms of counterparties and investment instruments, in order to minimise risk in the Council's investment portfolio. In addition, the Investec portfolio, although initiated as a long-term investment, does offer four day liquidity should the cash be required for any reason.

Had Investec achieved their benchmark return for the period 01 April – 30 September 2013 the value of the Council's investment would have been £99k higher. It should be noted that the Investec portfolio is a long-term investment and performance for the last three years has been 0.88% against a benchmark of 1.34%. The average in-house return over the last three years has been 1.02%, although it is unlikely the Council would have achieved this rate had the Investec cash been available to invest in-house as this is the average rate that includes long-term deposits. The average return on instant access investments over the last three years would be below that achieved by Investec.

When comparing the performance of Investec against the benchmark it needs to be considered that the benchmark in use is a cash benchmark (7-day London Inter-Bank Offer Rate) plus 1.23%. Therefore, as 1.23% of the performance is fixed it is necessary for Investec to take risks in attempting to achieve the target return, hence the volatility we have seen in their performance and the need to consider performance over a longer time horizon. In addition, many changes in the market, such as a fall in bond prices, will impact negatively on Investec's performance due to the investments they hold but will have minimal impact on the benchmark. Due to the varied nature of the portfolio it is difficult to have a benchmark that reflects the investments in the portfolio.

The Investec return since inception has been positive and has therefore achieved the aim of providing security of capital while diversifying the risk in the Council's investment portfolio.”

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ITEM 5 – PETITIONS AND PUBLIC ADDRESS

Public Address

The Leader of the Council has agreed the following requests to address the meeting:-

Item	Speaker
Item 6 – Action in Response to Child Sexual Exploitation	Councillor Gill Sanders, Shadow Cabinet Member for Children, Education & Families
Item 7 – Multi Agency Safeguarding Hub (MASH)	Councillor Gill Sanders, Shadow Cabinet Member for Children, Education & Families
Item 8 – Treasury Management Mid-Term Review	Councillor Nick Hards, Shadow Cabinet Member for Finance
Item 11– Oxfordshire Local Aggregate Assessment	Mr John Taylor, Chairman of PAGE Councillor John Sanders, Shadow Cabinet Member for Environment Councillor Anne Purse, Deputy Chairman of the Waste and Minerals Advisory Group, at the invitation of the Chairman
Item 12 – Oxfordshire Minerals and Waste Development Scheme	Councillor John Sanders, Shadow Cabinet Member for Environment
Item 15 – Dix Pit Contract Variation	Councillor John Sanders, Shadow Cabinet Member for Environment

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