

AUDIT & GOVERNANCE COMMITTEE

MINUTES of the meeting held on Wednesday, 16 July 2025 commencing at 1.00 pm and finishing at 3.35 pm

Present:

Voting Members: Councillor Roz Smith – in the Chair

Councillor John Shiri (Deputy Chair)
Councillor Ron Batstone
Councillor James Fry
Councillor David Hingley
Councillor Gavin McLauchlan
Councillor Leigh Rawlins
Councillor Paul Austin Sargent

Nonvoting Members: Kate Cartwright
Paul McGinn
Dr Geoff Jones

Officers Jack Ahier, Democratic Services Officer
Lorna Baxter, Executive Director of Resources & Section 151 Officer
Anita Bradley, Director of Law & Governance & Monitoring Officer
Declan Brolly, Counter Fraud Team Manager
Tim Chapple, Treasury Manager
Sarah Cox, Chief Internal Auditor
Paul Lundy, County Health Manager
Helen Mitchell, Programme Director of Local Government Reorganisation
Ella Stevens, Deputy Chief Accountant
Kathy Wilcox, Head of Corporate Finance

The 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 and decided as set out below. Except as insofar as otherwise specified, the reasons for the decisions are contained in the agenda, reports and scheduled/additional documents, copies of which are attached to the signed Minutes.

50/25 APOLOGIES FOR ABSENCE AND TEMPORARY APPOINTMENTS

(Agenda No. 1)

The Chair Councillor Roz Smith welcomed everyone to the meeting, especially new independent members Kate Cartwright and Paul McGinn.

The Chair also thanked outgoing independent member Dr Geoff Jones for his work over the last twenty years.

Apologies were received from Councillor Ted Fenton, substituted by Councillor Paul Austin Sargent, and from Councillor Andrew Crichton, and these apologies were accepted.

Councillor Dan Levy also sent apologies for not attending on matters relevant to his portfolio as Cabinet Member for Finance, Property and Transformation. This apology was also accepted.

51/25 DECLARATION OF INTERESTS

(Agenda No. 2)

Councillor David Hingley declared an interest in Item 5 as Leader of Cherwell District Council, who were responsible for putting forward a different proposal in respect of local government reorganisation. The Monitoring Officer confirmed that this was not a pecuniary interest and that the Councillor would be able to remain in the meeting, given that the Committee were only asked to note the report.

52/25 MINUTES OF THE PREVIOUS MEETING

(Agenda No. 3)

APPROVED the minutes of the meetings of 4 June 2025 as an accurate record.

53/25 PETITIONS AND PUBLIC ADDRESS

(Agenda No. 4)

There were none.

54/25 LOCAL GOVERNMENT REORGANISATION PROGRESS UPDATE

(Agenda No. 5)

The Programme Director of Local Government Reorganisation (LGR) introduced the report. Given that Annex A had not been published alongside the report, the letter from His Majesty's Government (5 February 2025) was not discussed.

Firstly, the Committee asked how it had been decided that the County Council's 'preferred option' was for a single unitary council for Oxfordshire. Officers commented that this was an executive decision taken by the Cabinet of the previous administration on 20 March.

Secondly, the Committee asked about the work that was being done on a strategic authority amid some uncertainty. Officers said that there was more certainty in light of the English Devolution and Community Empowerment Bill, which had been introduced to Parliament on 10 July.

Thirdly, the Committee asked about the disaggregation to key services. Officers commented that:

- Work was being done to develop principles and approaches that would apply if West Berkshire was included in the unitary authority.
- Shared services would be possible but present challenges in maintaining scale, market management, and fair access to resources.
- Shared services already occur, for instance, in Buckinghamshire, Oxfordshire, and West Berkshire Integrated Care Board.
- If local government reorganisation led to new boundaries, the coroner would be consulted to determine the appropriate area of responsibility.
- Aggregation of services as part of local government reorganisation was also possible.

Fourthly, the Committee asked about neighbourhood government. Officers said that local government had a duty to implement this but was waiting for a further explanation from government about what this would entail. Otherwise, officers said that work was being done:

- to clarify the number of people within a neighbourhood
- in community insight profiles in public health
- in integrated neighbourhood teams across the whole Council

The Chair said that she expected there to be more opportunities for the Committee to discuss LGR in the future. She asked for Annex A to be circulated to the Committee and for questions on it to be put to the Executive Director of Resources and Programme Director.

NOTED:

- a) the Local Government Reorganisation process to date**
- b) the County Council's preferred option of a single unitary council for Oxfordshire**
- c) the benefits, areas of development and current assessment against the statutory invitation of the County Council's preferred option**
- d) the risks and issues created by the disaggregation to key services including those identified by government as 'high risk'**

55/25 TREASURY MANAGEMENT ANNUAL PERFORMANCE REPORT 2024-25

(Agenda No. 6)

The Treasury Manager introduced the report. As requested, he agreed to make the following amendments to future reports:

- The average rate of inflation would be stated for the whole period.
- Debt profiles, as in Annex 1, would be listed by end date.

Firstly, the Committee asked if a 5-year forecast of balances was considered when setting the investment strategy. Officers said that they looked at long term balances and forecast accordingly. They added that the forecast included £75m to £100m of long-term cash.

Secondly, the Chair asked about the green bond that was raised within a month in December 2024; she wanted to know whether more green bonds would be forthcoming. Officers said that they were looking at either current or imminent capital projects that fitted within the green financing framework.

Thirdly, the Committee asked about the £272 million debt. Officers commented that:

- It was taken out to fund the capital programme, and all debts had fixed maturity dates.
- They were looking at restructuring to see if there were opportunities to repay that debt early and get a discount.
- They wanted to avoid repaying debt early only to have to take it out again, as interest rates or bond yields may increase.
- Lender option borrow option (LOBO) loans were always repaid if called when the prevailing public works loans was lower than the stipulated rate.
- Cost of borrowing was capped at 5 per cent of the net operating budget, which was lower than other councils where it reached 10 to 11 per cent.

Fourthly, the Committee asked about the rising cost of Special Educational Needs and Disabilities (SEND) provision in Oxfordshire. Officers said that:

- The forecast was for a negative reserve of £130 million by the end of this year, and the opportunity loss was about £10 million in interest. If that figure continued to go up, the reserves would be depleted.
- This was a real issue for all local authorities with responsibility for SEND provision, and the statutory override in place, in effect, hid the amount being spent. Some local authorities were in deficit as a result.
- In the autumn, they were expecting government to set out reforms to SEND and its response to the cumulative deficit, £6 billion for all councils by 2026-27.
- The government had not accounted for this in referring to a £22 billion “blackhole”, nor was it considered in the latest spending review, so the expectation was that councils would have to pick up some of the cost.

Finally, the Committee asked about risk to fixed assets, particularly highways, which were increasingly affected by extreme weather events and climate change. Officers said that the depreciation of fixed assets was not yet considered in treasury management.

NOTED the report and RECOMMENDED that Council note the treasury management activity and outcomes in 2024/25.

56/25 REVIEW OF APPOINTMENTS TO OUTSIDE BODIES

(Agenda No. 7)

The Director of Law and Governance and Monitoring Officer introduced the report. She said that this review was around modernising the appointments process and that the Remuneration Committee was happy for the Committee to make Category B appointments.

The Chair said it would be good for vacancies on the list of appointments to Category B Outside Bodies to be filled in the future. She asked for a list of Category C appointments to be circulated to the Committee in due course.

Officers said they would make the following amendments:

- Stefan Gawyrsiak would represent the Council on the Townlands Steering Group; they apologised for the typo in the annex to the report.
- The guidance to members serving on outside bodies (at Annex 1) would say that they should have regard to the interests and the policies of the Council.

The Committee asked about the selection process for appointments. Officers said they were confident that they could determine the relevant cabinet member; the Leader of the Council could be consulted. They said that it was down to officers to propose names to the Committee and justify the selection.

AGREED as follows:

- e) **the amended method of appointment to non-strategic Outside Bodies useful to the Council's work, known as Category B Outside Bodies, and Other Outside Bodies that request Council representation or are of primary value to local councillors/the local community, known as Category C Outside Bodies;**
- f) **that Category B appointments be made by the Audit and Governance Committee; and**
- g) **that Category C appointments be delegated to the Monitoring Officer.**

RESOLVED to RECOMMEND that Council approve the Constitutional Amendments in Annex 1 to reflect these changes;

ADOPTED the Guidance for Members who are appointed to Outside Bodies; &

APPROVED the list of appointments to Category B Outside Bodies for this Council subject to Council approving the Constitutional Amendments.

57/25 2024-25 STATEMENT OF ACCOUNTS

(Agenda No. 8)

The Deputy Chief Accountant introduced the report. She said that the draft statement of accounts was published on the Council's website on 30 June, which meant that the public inspection period ran from 1 July to 12 August, and audits began on 7 July to finish by the end of September.

Firstly, the Committee discussed the difficulty of determining the quality of the accounts without the assurance of the external auditors, Ernst and Young LLP. Officers said that they were disappointed that they disclaimed the accounts in 2024-25 but stressed that a full audit had nonetheless taken place.

Secondly, the Committee raised concerns about a discrepancy in the reported grant income figures in the accounts. Specifically, Note 19 indicated £423.5 million from government grants, whereas Note 5 showed £738.4 million under government grants and contributions. Officers explained that Note 19 reflected only government grants but Note 5 included grants and other contributions—hence the apparent discrepancy. They committed to following up with a detailed breakdown to clarify the figures.

APPROVED the draft Statement of Accounts for 2024-25.

58/25 COUNTER FRAUD PLAN & UPDATE

(Agenda No. 9)

The Chief Internal Auditor introduced the report. She drew particular attention to the control improvements and management actions, or the counter-fraud team's proactive work. The Chair praised this work, especially work on the financial management processes in primary schools over the last quarter.

Firstly, the Committee asked about blue-badge fraud. Officers said that they conducted on-street exercises with parking enforcement Countywide, albeit limited because of resourcing issues. Counter-fraud officers were concerned with blue-badges having been stolen. They said that any savings were calculated based on a Cabinet Office figure.

In relation to blue-badge fraud, the Chair encouraged any councillors with local knowledge to get in touch with the counter-fraud team, who could help.

Secondly, the Committee asked about the 53 per cent increase in reports of suspected fraud or irregularity. Officers said that this rise was not indicative of systemic control issues. Instead, officers attributed the rise to better detection and proactive work, and they said that the figure was not concerning when it was compared to the equivalent in other Councils.

Thirdly, the Committee asked about the six cases that were registered against Council employees. Officers said that that figure had gone up from last year.

The Chair drew the Committee's attention to the Forward Plan, which officers said was fluid; it would be subject to review as and when priorities changed.

The Chair thanked the counter-fraud team for their work.

NOTED the summary of activity against the Counter Fraud Plan for 2024/25 and APPROVED the Counter Fraud Plan for 2025/26.

59/25 OMBUDSMAN ANNUAL REPORT

(Agenda No. 10)

The Monitoring Officer introduced the report. She highlighted the following:

- In 2024-25, the Ombudsman received 89 complaints and dealt with 84.
 - o 29 were not for them.
 - o 33 were assessed and closed.
 - o 22 were investigated (compared to 34 in 2023-24).
- 56 complaints related to children (compared to 75 in 2023-24), and housing and adult social care were the next highest categories of complaint.
- 100% of cases under investigation were upheld, which was 2.9 per cent of decisions per 100,000 residents. (It was 5.9 per cent nationally.)
- On 13 June, the Education and Young People Scrutiny Committee considered an action plan relating to 13 of those cases, as directed.
- The Council was on track to implement the new requirements of the Complaint Handling Code in Spring 2026.
- Overall, there were 725 complaints in 2024-25.

Officers commented that the plan considered on 13 June related to the Council's Section 19 Duty, which entailed responsibility for arranging suitable, usually full-time, education for children of compulsory school age who, because of exclusion, illness, or other reasons, would not otherwise receive such a provision. They said that all 13 complainants had received apologies.

Officers further commented that most of the cases relating to children were to do with SEND provision, which was a national problem. They highlighted the following:

- Prior to the 2023 inspection, just 4 per cent of Education, Health and Care Plans (EHCPs) were considered within 20 weeks. (It was now 38.5 per cent.)
- While 94 per cent were considered within 30 weeks, it was the failure to consider plans or offer special school places that led to complaints.
- 8,000 pupils in Oxfordshire had EHCPs, compared to 2,000 in 2014, and special school places were going to rise by 500 over the next five years.

On SEND, the Committee asked if there was an inverse relationship between deprivation and successful appeals for places at special schools. Officers said that pupils on free school-meals were possibly underrepresented in terms of EHCPs, and they were co-producing guidance on complaints to facilitate access for deprived communities.

On the report more generally, firstly, the Committee asked about financial redress. Officers said that the figures in Annex 2 could be added up in future reports.

Secondly, the Committee asked about 'fixmystreet.com'. Officers said that highway cases reported there were not included in the overall figures, if dealt with accordingly, because they were regarded as service requests, not formal complaints. The Chair said Fix My Street should be considered by either the Performance or Place Scrutiny Committee.

Thirdly, the Committee asked why corporate complaints had increased and whether more could be done to prevent them. Officers made the following remarks:

- In relation to SEND, it took 3-4 years to build special schools, and as such nothing could be done to prevent complaints today.
- Lots of complaints were sent back from the Ombudsman because individuals had by-passed the Council's processes for review.
- Some complaints related, for instance, to care homes and came to the Council because of commissioning arrangements.
- All services worked collaboratively with complaints teams every quarter to improve service delivery,

Fourthly, the Committee asked about the processes involved in closing a complaint. Officers said that it was for the Ombudsman to be satisfied that the Council had taken appropriate action. They added that the Ombudsman's involvement was expected to satisfy the complainant; there was no further right of appeal against their decision.

NOTED the Local Government and Social Care Ombudsman's Annual Review of Oxfordshire County Council for 2024/25, and the work undertaken by the Council regarding its handling of complaints.

60/25 HEALTH & SAFETY ANNUAL REPORT
(Agenda No. 11)

The County Health Safety Manager introduced the report. He said that his team took a proactive, interventionist approach and highlighted the following areas:

- Prevention of work-related musculoskeletal disorders
- Protection of the Council's workforce against noise and vibration
- Promotion of physical activity among school-aged children
- Collaboration with Property and Assets on construction work in schools

Additionally, he said that he was involved with Health & Safety Executives in responding to health and safety incidents that occurred in schools.

Firstly, the Committee asked if academy trusts were inspected for health and safety by the Council's officers. Officers said that while their service was available to academy trusts, it was not mandatory, and academy trusts could make their own arrangements.

Secondly, the Committee asked how the Council supported lone, peripatetic workers. Officers said that they had implemented training in managing challenging behaviour and a lone worker app that enabled users across the Council to get support where necessary.

NOTED and accepted the contents of the Health and Safety (H&S) Annual Report and the work of the H&S Team to support services and improve performance keeping employees and customers safe.

[Councillor Fry left the meeting.]

61/25 AUDIT & GOVERNANCE COMMITTEE WORK PROGRAMME
(Agenda No. 12)

The Committee discussed having Local Government Reorganisation on the agenda again in September but noted that the process was not going to change between and 28 November, so this would not be necessary.

NOTED the Updated Work Programme 2025-26.

..... in the Chair

Date of signing