

AUDIT AND RESOURCES OVERVIEW AND SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday 5 February 2008 at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillor Mrs Knight (Chair); Councillors Ms Dean, Dhillon, Malcolm Doody, Illingworth, MacKay, Rhead and Tyrrell.

Apologies for absence were received from Councillor Pittarello.

829. **DECLARATIONS OF INTEREST**

Minute Number 841 – Executive items confidential items and reports

Councillor Illingworth declared a personal interest in item 20 Abbey End Pay and Display Car Park, Station Road, Kenilworth because it was in his ward.

Councillor Dean Declared a personal interest in item 21 Land Adjacent to Black Horse Public House, Leamington Spa because it was in her ward.

830. **MINUTES**

The minutes of the meeting held on 4 December 2007 were taken as read and signed by the Chair as a correct record.

831. **ANTI FRAUD AND CORRUPTION LEAFLET AND STATEMENT**

The Committee considered a report from Finance which presented for approval a leaflet, aimed at staff and the public, and a statement to be included in Council documents, both of which outlined the Council's stance on fraud and corruption.

The leaflet and statement had been produced in accordance with the Action Plan in support of the Anti Fraud and Corruption Strategy that was approved by Executive on 22 October 2007.

Members of the Committee noted that there would be a cost attached to the production of the leaflet, although it was not yet known what this would be. Officers were offered feedback on the draft leaflet, including comments on content, the telephone numbers given and spelling.

RESOLVED that

- (1) the report be noted; and
- (2) the Anti Fraud and Corruption leaflet and the statement to be included in the Council's standard forms and stationery be approved.

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832. UPDATE ON THE IMPLEMENTATION OF A NEW PERSONNEL SYSTEM

The Committee considered a report from the Acting Strategic Director (Customer Information & Advice) on the implementation of Snowdrop, a new Personnel system.

Following the initial purchase of the system in March 2007, development work had been undertaken which stalled in September 2007, after which time a strategic decision had been taken to put the project on hold until appropriate resources had been arranged to ensure its success. An organisational restructure resolved the issue and a revised project plan was due to be presented to the IEG Steering Group in March, including project milestones and outcomes.

Some Members of the Committee were unhappy about commenting on the report as they had not had sufficient time to read it. The Senior Committee Services Officer advised the Committee that they did not think it was within the remit of the Employment Committee to scrutinise the project plan and that it should be considered by this Committee.

RESOLVED that the report be deferred to the next meeting for consideration.

833. AUDIT AND RISK ISSUES

The Committee considered a report from the Strategic Director for Community Resources on audit and risk issues previously raised by Councillor Vincett.

The report summarised the role of the Chief Executive in relation to audit and the reporting chain for internal audit. Officers clarified that the involvement of an intermediary in the reporting chain was a symptom of a small authority where some officers had, by necessity, to take on several roles. This was unlikely to change after restructuring.

Also covered by the report were the responsibilities of managers in signing up to risk and consequent actions, and details of a phased approach to improving the uneven coverage of written business processes which officers were due to consider during February. Officers agreed to update the report, to include this matter and present it to the next meeting when Councillor Vincett would be present.

RESOLVED that the report be deferred to the next meeting of the Committee when Councillor Vincett would be in attendance.

834. BASE BUDGET REVIEWS OF SUPPORT SERVICES

The Committee considered a report from Finance summarising the findings of recent meetings which had scrutinised the base budgets of the six main support services.

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The report stated that, in general, both Members of the Committee and Officers had found the exercise to be beneficial. It had demonstrated that services tried hard to provide a good service and to keep costs down. Members of the Committee had felt that further information on benchmarking might have been useful, but recognised the cost implications of gathering such information.

The Committee agreed that the reviews had been a worthwhile exercise. It was suggested that they give consideration at the next meeting to what services they wished to review during 2008/09.

Officers were asked to note that Councillor Dean had been present at the Base Budget meeting which took place on 19 November 2007 and that Councillors MacKay and Vincett names had been spelt incorrectly.

RESOLVED that the report be noted.

835. FEEDBACK OF THE COMMITTEE SUB-GROUP REVIEWING THE FORMAT AND CONTENT OF THE BASE BUDGET REPORT

The Committee considered a report from Finance summarising the findings of the Committee Sub-Group which, in response to concerns that the Base Budget was difficult to understand, had reviewed its format and content.

The Sub-Group had been happy with the report overall, but recognised that the length and style of the appendices sometimes made it difficult to find specific details within them. They had discussed alternatives and concluded that there was a need to reformat the appendices and produce a glossary.

It was highlighted by the Chair that the base budget report should be read in conjunction with the annual Budget and financial report which contained detailed figures for all service areas for each year.

Members expressed some concern that the new format would actually result in an increased page count, but accepted that it was necessary in terms of giving them what they wanted. However, they also requested more cross-referencing between the main body of the report and appendices.

Further to a question from Councillor Illingworth at the last meeting of the Committee he confirmed that the Council uses around 5.5million sheets of paper each year and this was something the Council should be aiming to reduce.

RESOLVED that

- (1) in future, the Base Budget report should have appendices B, C and E replaced with a single appendix that will show the breakdown of expenditure for each service over the main group headings, with the explanations of variations/changes being shown below.

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- (2) the Base Budget report should include a Glossary that will bring together details of the technical terms that are used within the report.

836. UPDATE ON IMPACT OF DPE ON OFF-STREET CAR PARK INCOME AND OPERATING COSTS OF OFF AND ON STREET ENFORCEMENT

The Committee considered a report from Neighbourhood Services outlining the actual level of off-street income against the budget and the actual operating costs of the off and on-street enforcement. This discussion also informed the Committee's recommendation to the Executive concerning adjustment to the off-street car park budget (see minute 677).

Members of the Committee were advised that the actual level of off-street income generated from Pay and Display / Pay on Foot, Season Ticket and Penalty Charges between April and December 2007 was £84,000 behind the original budgeted figure. The costs to Warwick District Council of operating off-street enforcement were estimated to be £1,779,600 for 2007/08.

It was felt that fluctuations in data over the past twelve months made the figures particularly hard to interpret. Also noted was the effect on data of the decriminalisation of parking in August 2007.

The Council was currently receiving more parking notices than it could handle. A proposal had been made that three additional officers be employed to process these notices, but the Committee expressed doubts about this as, according to estimates, the budgetary impact would still only be a cash neutral situation.

Members of the Committee felt that regular updates should be brought before the Committee on this issue.

RESOLVED that the Head of Neighbourhood Services attend a future meeting of the Committee with a report detailing issues around all aspects of new car parking arrangements for both on and off street.

837. EDRMS UPDATE

This report was withdrawn from the agenda.

838. REVIEW OF WORKPLAN

The Committee received a report from Members' Services to consider the annual work plan and agree any changes as necessary.

RESOLVED that the work plans appended to the report be approved

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839. EXECUTIVE AGENDA – NON CONFIDENTIAL ITEMS AND REPORTS

The Committee considered the items which would be discussed at the meeting of the Executive on Monday 11 February 2008.

As a result the following comments were made for forwarding to the Executive:

Agenda Item 4 – Budget 2008/09 and Council Tax – Revenue and Capital

The Committee supported the recommendations in the report. The Committee requested that rigorous monitoring of paragraph 9.2(f) (on page (18)) was undertaken to ensure that these savings were realised. The Committee also wished to highlight the projected figures stated in paragraph 9.3 (on page 19). Considerable concern was expressed re the use of so much of the 2008/09 contingency fund before the year has started. The Committee also felt that the assumptions for car parking were not solid enough.

Agenda Item 5 – Corporate Strategy 2007 - 2011

The Committee supported the proposals of the Corporate and Strategic Leadership Portfolio Holder as set out on page 97 of the agenda.

Agenda Item 6 – Treasury Management Strategy Plan for 2008/09

The Committee supported the recommendations in the report.

Agenda Item 7 - Housing Rents and Housing Revenue Account 2008/09

The Committee supported the recommendations in the report.

Agenda Item 8 - St Nicholas Park and Warwick Heritage Lottery Bid

The Committee supported the recommendations in the report as long as the work already undertaken counted as the Warwick District Council contribution.

Agenda Item 10 – Code of Financial Practice

With regard to paragraph 8.1 (page 162) bullet point three the Committee requested who was responsible for undertaking accident and risk assessments for Councillors?

The Committee also requested that the Code of Financial Practice includes a cross reference to the procurement strategy and code of contract practice.

Agenda Item 11 – Improvement work to Housing Revenue Account Properties

The Committee wished to highlight to the Executive that the table at 4.2 of the report did not add up because the works at Kennedy Square were over two years ago.

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Agenda Item 13 – Proposals for Leamington BID

The Committee wished to emphasise to the Executive the importance of ensuring that this was a success, however they also asked that Executive are informed of what contingency plans have been established in case the BID does not work?

Agenda Item 14 – Adjustment to off-street car park budget

The Committee were of the opinion that they could not recommend the report for approval and felt that the Executive was not in a position to make an informed decision as there were insufficient detailed facts and figures.

It was suggested that information needed included

- information on trends in penalty notice issue (if available)
- details of numbers of appeals against parking notices and their outcomes
- the impact of on-street enforcement on off-street parking
- the implications of being £84,000 behind the original budgeted figure for off-street income generated from Pay and Display / Pay on Foot, Season Ticket and Penalty Charges between April and December 2007

Agenda Item 16(F) – Portfolio Performance Targets

The Committee were satisfied with the targets set out under the Corporate and Strategic Leadership Portfolio.

840. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED that under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item, by reason of the likely disclosure of exempt information within the paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

841. EXECUTIVE AGENDA – CONFIDENTIAL ITEMS AND REPORTS

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Monday 11 February 2008.

As a result the following comments were made for forwarding to the Executive:

Agenda Item 19 – Allotment Land

The Committee felt that this should have been split into two reports, on the transfer of allotments to Warwick Town Council and another on approaching other Town/Parish Councils to seek their interest in a potential transfer of allotments to them.

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The Committee were also unhappy with recommendation 1.1.2 and felt that the clause should also either cover all future owners of this land or that the Town Council can only transfer this land back to WDC.

Agenda Item 20 – Abbey End Pay and Display Car Park, Station Road, Kenilworth

The Committee expressed concern by this item as they felt that the reduction in car parking spaces in Kenilworth Town Centre would be detrimental, due to the already limited number of parking places within the Town Centre. Therefore the development should aim to increase parking capacity not decrease it.

Agenda Item 21 – Land Adjacent to Black Horse Public House – Leamington Spa

The Committee questioned if there should be a claw back for the future sale or development of the land.

Agenda Item 23 – Building on Excellence redundancies

The Committee supported the recommendations in the report, although some members of the Committee were concerned at the amount of experience recently lost from within the Leisure department.

Agenda item 24 – Spencer Yard Phase II project

The Committee felt that they had insufficient time to consider the report as it had only been received by them the day before the meeting. It was agreed that if any of the Committee wished to pass comments to the Executive they could be emailed to the Committee and the Chair would pass them on.

Some Councillors felt that before any decision is taken the Council should get a definitive answer from HM Customs and Revenues on the VAT issue. They also asked that option A be split in to two options of if VAT works in our favour and if VAT does not work in our favour.

Agenda Item 25 – Legal Services

The Committee supported the recommendations 1.1, 1.2 and 1.3 in the report, but proposed an additional recommendation that when these issues were resolved there would be robust Key Performance Indicators established for legal services. It was also strongly felt that Legal Services needed less surprises and more budget planning.

Agenda Item 26 – Land Charges Fees

The Committee supported the recommendations in the report, however they suggested that due to the competitive nature of the land charges market that Council should consider delegating the setting of land charges fees to CMT to allow the Council to be more proactive in the market place in accordance with our competitors.

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The Committee also recommended that monthly reports be considered by the corporate management team on this matter and that 1/4 update reports are submitted to Audit & Resources Overview & Scrutiny Committee.

(The meeting ended at 9.45 pm)