

## Pre-Scrutiny Questions and Answers – Cabinet Agenda 6 March 2024

### Item 04 - Report Title: Treasury Management Strategy 2024/25

Report Author(s): Richard Wilson

#### Councillor Milton:

Thank you for your extensive work on the Treasury Management papers for cabinet. I am assuming that we will call these in to scrutiny next Tuesday and I have listed a couple of points below which I think would be worthy of discussion. I'm not thinking of these as pre-scrutiny questions so no need for responses to be published but I think that having a bit of structure to the discussion on Tuesday will help.

Overall I think it would be good for the committee to understand a little more about the risks that we could be impacted by - largely as I see it that the interest rate forecasts prove to be incorrect or our investment return is less than we predict. Could you come prepared to talk about the level of sensitivity and resilience e.g. if interest rates suddenly went up by 2% in six months what sort of problems would it give us? Could we cope? I think that might help bring it to life for councillors.

Secondly it would be good to understand the impact of Milverton homes and how this adds complexity to the picture. In general the housing market seems far less healthy than it was. What additional risks does this create for us?

And finally I'm aware that our decisions about funding capital programmes have big impacts on our future CFR. However, I'm not sure how visible these impacts are when we make the decisions. For example when we discussed the additional funding for abbey fields swimming pools I think there was a lot of discussion about the merits of that decision, the impacts of having to pay additional interest on lending but I don't think there was a real appreciation of how this could impact the overall financial strategy. It would be interesting to discuss how we can bring these impacts into decision making so that they can be made more robustly.

#### Response:

[A response had not been submitted by the time this document was uploaded to the website.](#)

#### Councillor Armstrong:

1. Could you give some detail how our investment in the Milverton Homes joint venture doesn't trigger the requirement not to invest primarily for yield? I assume it must not, but exactly why or why not is unclear to me.
2. Para 6.1 - the early divestment of direct fossil fuel investments is very much appreciated. Could you comment on what level of indirect investments in fossil fuels we may still have? (I.e. cases where we have invested in an entity who themselves invest in fossil fuels). Is it possible to get that data? How viable would it be to divest from such indirect investments too, as far as possible?

3. On the SLY priority, could you elaborate a bit on what factors are used to estimate 'Security'?

4. Please could you expand on what our response to deviations in the predicted interest rates would be? How does a rise or fall of 1, 2% etc impact us as a council?

Response:

1. The General Fund's investment in Milverton Homes is supporting the Council's objective of providing more 'affordable' homes in the District, one of the key Government-supported objectives, and is not primarily for yield.
2. There is no way to qualify what indirect investments any of the banks and financial institutions the Council lends to have by lending on to fossil fuel related companies. Such data is not possible to obtain other than any anecdotal reports in the press, etc. As the Council is required to invest in financial institutions with good credit ratings (see #3 below), it is not possible to meet the SLY criteria without some unknown exposure to indirect investments that could potentially have some fossil fuel connection. However, not that the overall level of investments is much lower than a few years ago, that exposure has fallen proportionately.
3. The Security element of 'SLY' is concerned with protecting the cash amount invested, so that the risk of not getting the full amount back on the maturity of the investment is minimised. For this the Council uses credit rating agency scores in the Counterparty Limits (Appendix C Annex 2) to only invest in financial institutions meeting the high levels or credit rating with Fitch or equivalent. Additionally, when investing with other local authorities we are checking for reports on S114 and budget difficulties, to minimise the risk that they cannot repay the investment.
4. The level of investment income assumed in the Council's Medium Term Financial Strategy is based on the table on page 19 at 6.2, which prudently assumes that the returns will drop compared with the peak in 23/24. As previously mentioned, the overall level of investments has fallen compared with earlier financial years as underlying balances have been utilised in 'internal borrowing' to support the capital borrowing pending taking longer-term loans from the PWLB, or other sources. The table at the top of page 7 shows the expected investment income, where the items that would be impacted by a change in interest rates would be external investment income and the charge to the HRA for its net internal borrowing. It would be extremely time consuming to give an accurate estimate of what a 1 or 2% change in interest rates would do to these, as there are other factors impacting on the returns, but we would be talking in the region of £1/2m a year, so it would be significant. Of course, rates could also rise. This would need to be balanced against a lower inflation cost elsewhere in the budget, and borrowing costs from the PWLB would also be lower.

Councillor R Dickson:

Noting that WDC is opting for Option 3 of the MRP, which seems perfectly sensible, how does this limit the term of the PWLB debt for the Abbey Fields Swimming Pools project?

Also will the Treasury Management Strategy need to be reviewed again if and when the Economic Activity of Public Bodies (Overseas Matters) Bill receives royal assent, in particular with regard to consideration of ESG matters?

Finally, has the Treasury Management Strategy paper been reviewed by the Budget Review Group in accordance with the Group's Terms of Reference?

Response:

The Council's borrowing from the PWLB is done on the basis of a 'pooled' requirement, rather than being for a specific capital scheme, with the caveat that HRA and General Fund borrowing is discrete. This means that for General Fund borrowing in a financial year we would weigh up the average expected life of the assets being financed and borrow for a length of time that was justifiable based on that 'basket'. For instance, if the borrowing was in part for a leisure centre with an expected life of 40 years and, say plant and equipment with a life of 20 years, we could elect to borrow for somewhere between those lives, with a view to the existing PWLB maturity profile to avoid too much needing refinancing in one year. However, for the MRP calculation, each element of the MRP calculation is based on the expected useful life of that capital component. So for a leisure centre, the building could have a MRP charge based on 40 years but the plant and equipment components would be based on a 20 year life.

(This paragraph of the answer has been removed and can be found in the confidential pre-meeting questions and answers document.)

I will need to defer the question of referral of the paper to the Budget Review Group to **Andrew Rollins**, as I haven't been a party in that.

Response from the Head of Governance & Monitoring Officer:

Thank you for your questions below in respect of the budget review group.

The terms of reference for that Group state that "Annual Treasury Management Strategy (if it is reported to Cabinet in February)". As the report has not come to Cabinet in February then the budget review will not be considering the report.

**Item 05 - Report Title: Changes to the Constitution**

Report Author(s): Graham Leach

Councillor Armstrong:

There seem to be a substantial number of procurement items in this report. Are these only coming to Cabinet in this report, or have they/will they go through a separate process of oversight? With particular regard to some of the larger items, such as the 4M+ insurance procurement.

Response:

As set out in the report it was clear that decisions need to be taken to approve the procurement of all these. Previously this has had been inconsistent. Going forward myself and Andrew Rollins are working closely to set which procurements require more detailed reports to Cabinet than others, along with more internal work through the change programme board and member groups. But in this round we needed to create the approvals to get the processes back moving so this time no further details.

In respect of the specific procurements there will be technical involvement from officers and regular discussions with the relevant PH. On this specific procurement I will need to defer to Andrew R.

## **Item 06 - Report Title: Housing Revenue Account Business Plan Review 2024**

Report Author(s): Lisa Barker and Emma Leeming

Councillor R Dickson:

This may be a short-term situation, and – many apologies - definitely one that I should have raised when reviewing the HRA at the recent Budget Review Group meeting. My concern relates to the impact of migrating residents to Universal Credit in the next few months and what this may do to arrears and bad debts.

What sensitivity analysis has been done if arrears rise by 10, 15 or 20% and what mitigating action could be taken to protect both residents and the Council?

I notice the 1.6% bad debt and 0.7% void rate assumptions remain unchanged but will be reviewed regularly and, presumably, frequently too so that plans can be revised as necessary? It's reassuring that the arrears rates appear (Appendix 6) to have fallen between 2021/22 and 2022/23. Is it known what's happened in 2023/24?

Response:

A response had not been submitted by the time this document was uploaded to the website.

Councillor Armstrong:

The quite substantial amount listed under 'Climate Change and Environment works' (>30M) is appreciated. There are several headings in Appendix 4. Could you please give some more detail on:

1. The difference between 'Decarbonisation' and the other, arguably similar in effect headings like thermal works.

Response:

You are correct in that there are a number of lines within the 'Climate Change and Environmental works' section that relate to climate change. All but that line marked as 'Decarbonisation' are works that are driven by our Decent Homes and asset management programmes and see activities take place that include improving the thermal efficiency of a home and thereby contribute to climate change ambitions. The line marked as 'Decarbonisation' is specifically to implement our Decarbonisation and Energy Efficiency strategy once approved. There is some cross over with other budgets which will be considered within the strategy.

2. The extent to which this program is already active. Have we been undertaking works etc previously? Are these standard window/roof/central heating replacements when needed due to breakage, or are they proactive measures to improve energy efficiency standards?

Response:

The works have been ongoing for many years to maintain and improve the Councils Housing Stock. They are both determined due to breakage and proactively in support of the Decent Homes Standard/general asset management.

3. What standards do we apply or intend to apply to these works? By which I mean, thermal insulation standards, windows (e.g. triple glazing?), minimum central heating standards or even heat pump installation - essentially what are our targets here, previously and going forwards?

Response:

For the majority of attributes, we use the Decent Homes Standards and/or any current British standards. For example, gas boilers undergo an annual service and inspection and will be replaced if deficiencies that cannot be remediated are found even if this is in advance of the normal life cycle of the asset. For roof insulation, we apply British standards of a minimum of 270mm across the roof space, we install A rated boilers and, for glazing, we currently install double glazing.

Councillor Syson:

Q1 Turning to the Business Plan and the Section on General Inflation, I see the 2024 plan says "All other general expenditure between 2023/24 & 2024/25 has been inflated by 2% as part of the Councils Budget setting process." Is this being realistic with inflation currently at 4.2% ?

Response:

Appendix one shows that Salary, contract, fuel and rent inflation has been set separately. General Inflation relates mainly to office support budgets which are small budgets. The inflation rate of 2% is based on future predictions by Bank of England which it predicts will be achieved in year.

Q2 I note under Void rents that "Approximately 26% of garage stock is vacant." I assume this is a deliberate policy, am I right?

Response:

Yes, we are looking to make improvements to some of the garages and to the sites.

Q3 Revenues and Repairs - do you carry out spot checks on completed repairs to ensure we are being delivered a quality service?

Response:

We do not currently undertake spot checks on completed repairs however, we are currently reviewing our approach in this area.

## **Item 09 - Report Title: Local Development Scheme**

Report Author(s): Amit Bratch and Andrew Cornfoot

Councillor R Dickson:

The report rightly highlights (Paragraph 10.3) the risks of limited experience within the team and the impact of staff leaving in a challenging market for recruitment of replacements. This is on top of the team already being 0.6 FTE below full complement. What actions are in place to mitigate these risks?

Also, six of the Made Neighbourhood Plans are now more than five years old. What is the statutory requirement for these to be reviewed and what would be the impact on planning department staffing resources?

Response:

### **Recruitment & Retention / Lack of Experience**

One of our Senior Planning Officers is going to be leaving the authority this Spring. They currently work 0.8 FTE hours and we will be advertising this post as a permanent post (i.e. we hope to appoint somebody to work 5 days a week, rather than 4 as per the current postholder's work pattern). Whilst we had very limited interest in the last year or so when we have advertised more senior policy positions in the team, we are hopeful that the Working for Warwick award will have brought salaries more in line with other nearby authorities and thus increase our potential to attract suitable and hopefully experienced candidates.

However, there is a general difficulty in recruitment of planners in local government and there is a shortage of qualified and experienced planners nationally, making it difficult to recruit candidates with substantial experience in plan making. If we are unable to recruit, then we will have to consider options that may include: spending more on advertising; consideration of market forces supplements; and hiring consultancy/agency staff; considering using alternative methods to recruit, e.g. Public Practice.

In an attempt to address capacity issues and to bring more experience in to support the South Warwickshire Local Plan, jointly with SDC we have recently appointed a SWLP Team Leader with substantial local plans experience, working across WDC and SDC to lead on the day-to-day work of the SWLP and to drive that forward without the distraction of having other responsibilities. This recent recruitment is from an agency and we anticipate advertising the post as a 2 year fixed term contract in the coming months.

In an ideal world we would create a further additional senior officer post to add experience and help deliver key workstreams, most notably the SWLP. However, at this point in time a growth bid has not been progressed. We will work with our accountant to better understand current salary savings and what opportunities we may have to supplement the team with more experience (not all of the remaining 0.4FTE Senior Policy salary is available to use at this point in time, as part is being used to fund a 2-year fixed term Planning Policy Assistant post).

With time, the team are becoming more experienced and developing their knowledge and all staff are given opportunities to go on training to develop their knowledge and are supported by senior, more experienced colleagues.

It should be noted that whilst working on a joint plan with Stratford, staffing levels and experience at Stratford can have an impact upon our workload and ability to deliver on the SWLP and also Warwick specific workstreams (both positively and negatively).

## **Neighbourhood Plans**

There is no statutory requirement to review a neighbourhood plan. However, it is sensible that periodically they are reviewed and revised to ensure they remain effective, are consistent with local and national policy and legislation and to ensure they reflect up to date local circumstances and evidence and indeed local opinion.

As Local Plans are supposed to be reviewed every 5 years, then that would also seem to be a sensible time frame for reviewing Neighbourhood Plans. Given that Neighbourhood Plans will need to be reviewed in light of the Local Plan review (South Warwickshire Local Plan) our advice to Town and Parish Councils has been that it may be sensible to wait on NP reviews until there is more clarity on the likely policies of the SWLP so they are not in a situation where they review their plans only to have to do it a year or two later.

It is likely to be the case that the older a NP is before being reviewed, it is more likely to be out of date in some way and thus there may be greater grounds for challenge (primarily by applicants) to the application of the policies in the NP.

I attach a toolkit from Locality regarding the Implementation, Monitoring and Review of Neighbourhood Plans, which I suspect will be of interest.



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Local Planning Authorities have a duty to support the preparation of neighbourhood plans and therefore when such plans are reviewed (or indeed new neighbourhood plans emerge), there will be a role for the LPA to support town/parish councils. We would hope to be able to resource this through existing staff resources as it is unlikely that lots of Plans will be reviewed at the same time. This situation may change upon submission or adoption of a new overarching Local Plan for the area and this is something that we will consider further in due course, closer to those milestones.

### **Item 11 - Report Title: Change Programme – Case for Change**

Report Author(s): Darren Knight



Councillor Russell:

1. Page 9 of appendix 1 refers to a consolidation of customer contact numbers which seems eminently sensible given the 80 that currently exist (mentioned earlier in the document). Is it envisaged that this consolidation will be able to include capacity to deal with issues relating to waste collection?

Response:

The consolidation of numbers will be part of a wider change of how the council delivers customer service with a greater number of enquiries being handled and resolved at the first point of contact. All customer service processes will be reviewed as part of this change.

2. More generally speaking, what provisions will there be to allow WDC staff members to engage and feed into elements of the change programme as it progresses?

Response:

Yes. The programme governance allows for member involvement via the programme board, corporate strategy member advisor group and engagement through overview & scrutiny.

Councillor Milton:

In advance of O&S I have a couple of questions please:

Could you clarify the decision making process please and the role of the Programme Board vs the Cabinet. I'm keen to understand how decisions, in particular ones that impact our residents, will be made.

Response:

Depending on the change proposed would determine the decision-making route. E.g. invest to save proposal that needed a lot of investment may need a Cabinet decision. Some decisions may require a EIA.

Will the updates that are provided to the Members Advisory Group be more widely circulated?

Response:

Where would you like them more widely circulated to? There is a change programme intranet page, which updates will be added.

Where decisions are being made to create financial benefits, how will intangible benefits (e.g. cultural, community and heritage benefits) be factored into decision making?

Response:

Proposals for change will have a change evaluation and proposal template completed, which will set out the proposed change, impact, risks etc. I would expect this to be picked up at this point, or checked/challenged by the programme board and/or the member advisory group.

It is good to see a high degree of focus on the council's 'customers' and how they may be impacted. Specifically, can you outline how the interests of our local business community (high street, office based, home-based etc) will be considered in our thinking?

Response:

Proposals for change will have a 'change evaluation and proposal template' completed, which will set out the proposed change, impact, risks etc. I would expect this to be picked up at this point, checked/challenged by the programme board or the member advisory group.

Further Response:

Depending on the change proposed would determine the decision-making route. E.g. invest to save proposal that needed a lot of investment may need a Cabinet decision and some decisions may require a EIA. There is a change programme intranet page, where updates will be added, as the programme progresses. Proposals for change will have a change evaluation and proposal template completed, which will set out the proposed change, impact, risks etc. These will then be checked/challenged by the programme board and/or the member advisory group.

Councillor Armstrong:

1. This is clearly a very broad strategy to start things off. Is the plan that more focused individual actions come back to Cabinet separately, or will they go only to the Programme board? Connected, going forwards are developments expected to come back item by item (e.g. CRM, new investment 1, etc), separated by Scope, an annual summary, or in some other way?
2. One part of the report says that the change program will report into the Programme board for SP1. In the agenda item document a programme board is specified from members of Cabinet and the SLT. Are these the same programme boards, i.e. is this the defined membership of the SP1 board?

Response:

Depending on the change proposed would determine the decision-making route. E.g. invest to save proposal that needed a lot of investment may need a Cabinet decision and some decisions may require a EIA. As part of the programme governance, there will

be the member advisory group for opposition and back bench members to engage in the programme and this is separate to the programme board.

Councillor R Dickson:

Everybody knows the importance of the Change Programme, both for the delivery of high quality services to residents and in ensuring the future financial health of the Council. Whilst there are many rational elements to this Programme, is there a risk that, unless the culture and values of WDC (amongst both officers and members) are appropriate, the likelihood of the Programme succeeding will be much lower?

We learned from the failed merger with SDC that culture eats strategy for breakfast, and I'm conscious that all staff are currently going through Conversation Cafes to explore how the Council's new values will work in their role. These Cafes seem especially relevant to the Change Management Programme. Should this risk be added in Section 9?

Response:

Thanks for your email. You raise an important and very valid point, and this should be included within the risk section.

## **Item 12 - Report Title: Introduction of a Customer Relationship Management System**

Report Author(s): David Elkington

Councillor Armstrong:

I saw a fly tipping heat map from another council was used as an example in the report. We recently saw at O&S a similar heat map for our own fly tipping, generated as part of what I think was a new system that our WDC Waste team was using. Is this the same system as is being planned in this CRM? Is not, how are they planned to integrate?

Response:

Our new CRM system will be based around the Local Land and Property Gazetteer, which holds the official address and location of every parcel of land within the district and beyond. By using the LLPG database and including mapping functionality within our service requests, we will be able to accurately capture the location of any reported incident. This helps us significantly when producing information such as the heat map.

The map previously provided to O&S was not entirely the same as the heat map provided in the example. The O&S map was a simple representation of points where fly-tip incidents were reported. Whilst it does give an effective visual representation, the heat map works differently, my counting up the number of incidents within a proximity, to generate a colour-coded representation of events. At a detailed, local level, the point-based mapping is of course very effective, but at a district wide level, the heat-maps provide a more rich visualisation.

The [map](#) shown to O&S was produced by the GIS team using data provided as an extract from the Contract Services team – this was a manual production. But in the future, we will be able to take data from the CRM and use that as a source for analysis much more autonomously. In addition to the CRM, we're also currently in the process of replacing our Geographic Information System and we intend to integrate these two platforms, to make producing maps like this a very easy process. In time, we may even be able to offer interactive services that will allow people (be that officers, Councillors or indeed the public) to navigate live maps of all past and current incidents and include automation in our checking processes; by for example checking ownership at the point of submission and informing the customer almost instantly if it is something we can deal with.

The benefits of this will extend beyond fly-tipping and we will be able to apply the same or similar principles to virtually any type of data recorded in the CRM. Because we will be using the LLPG as an underlying dataset, it will also give us the opportunity to display or analyse data in the context of other location based information, such as the outcomes of the last census, customer insight datasets or other local information. This potentially is a very powerful tool to aid our understanding of local needs and the factors which influence particular incidents happening.

### **Item 13 - Report Title: Q3 Budget Report**

Report Author(s): Steven Leathley

Councillor Milton:

Two questions please.

Looking at section 1.1.1 it seems we have a significant surplus from the staff budget due to the vacancy factor but a deficit on the agency staff costs. Could. You explain this a little bit more and what is the long term plan for this? Do we live with it or solve it?

Response:

Answer 1:

Before any Vacancy Factor is calculated, any underspend in Salaries with in teams is offset against Agency spend where possible, as in most cases Managers will be using underspends in their salaries to part fund any Agency employment (this is part funded as Agency costs are usually higher than salary costs). Some agency costs will be one off, for example sickness or Maternity cover, these are additional costs in year and will have some offset against salaries (if sickness is long term and when maternity goes to zero pay). The rest relates to Business needs to cover current Vacancies.

As part of the Change Management programme, current Vacancies are being review by HR and Finance, to understand the relationship between salary vacancies and agency spend, with the plan to reduce reliance on Agency spend for the authority.

Could you also help me understand the current year position on the MTFS? I need a bit of help joining the dots. It appears that as recently as February the predicted deficit was £500k lower than it is now but I may have misunderstood that.

Response:

At the time of completing the Budget Report for 2024/25, Q3 had not been completed. The budget deficit was based on known budget request approved by Cabinet or senior management at the time of reporting. The Q3 forecast is a more in-depth review of the current year (23/24) Budget against Forecast (estimate income & expenditure to end of financial year) and shows the current estimated deficit, based on managers reporting. The Budget report primarily is based on future budgets (24/25), where Q3 is only based on the current year.

Councillor Syson:

Q1: Given the national and long standing shortages of staff in some specialties, eg planning, and our reliance on agency staff, can you tell me if agency costs are now built into the staff budget for planning and other departments?

Response:

Please see Answer 1 to Councillor Milton above. Agency budgets have been included in the 2024/25 budget where known agency is required, a total budget of £335k has been included in the 24/25 budget. Any other Agency spend (if required) will be offset against underspends (vacancies, reduced sick / maternity pay) within the serve of use.

No Agency budget has been included in the planning department, but full establishment budget (including current vacancies) has been budgeted. In 2024/25 the overall salary deficit is £15k, once underspends in Salaries, and additional grants / income has been offset against the agency spend. It is expected that any Agency spend in 2024/25 will be funded from salary underspend, and additional income.

Q2: The current deficits expected over the next two years are eye watering - are we placing too much hope on the Change Management Programme, especially given its slow start? I am aware of a confidential Plan B hope, but is any advance thought being given to a plan C should the first two fail to deliver?

Response:

The MTFS over the next four financial years includes many areas to reduce the deficit, including estimates on Government settlement, increases in Tax collections, increased in fees & charges. The Change Management programme is only part of the overall solution and looks for efficiency in the work we complete, with the review of establishment and vacancies, Commerciality within Fees and Charges and how to work better as an authority.

The Change Management programme has been profiled to achieve more later in the programme to ensure the correct resources are in place and we have time to achieve this. There is no confidential Plan B, Plan B is if savings are not made by increased income generation, Invest to Save programmes or Cost Reduction, then Service reduction will be required.

## **Item 14 - Report Title: Annual Governance Statement**

Report Author(s): Richard Barr

Councillor Syson:

I find it very difficult to review this report given that 2022/23 was so long ago. The writer of the report I also think has found it difficult to know what should be included under "The latest position" in Appendix 1. In addition just one example from Appendix A

5.1.3 (last sentence) At the time of drafting this Statement, the proposed purchaser's details are private and confidential.

Q1

My first question is why has this taken so long to reach Cabinet. I know it was considered by Audit and Standards at their meeting on 25 September 2023. I see it is dated at the end, for signature, October 2024. Is that when we really expect to conclude our governance report for 2022/23?

(I note that the Annual Governance Statement for 2021/22 was considered by Audit and Standards on 14 June 2022, and at that time the date at the end was given as 9 May 2022.)

Response:

First of all, the dates of the signatures are 'typos'. They should be "2023", not "2024". In any case, they will need updating when the accounts are finally completed (as the AGS is required to accompany the financial statements when finalised and the audit concluded).

The delay in the AGS reaching Cabinet is caused by difficulties in obtaining responses to issues (queries and points of clarification) that were identified by Audit and Standards Committee when it considered the Statement back in September. It's possible that there was a lack of urgency in responding to these issues because of delays in concluding the accompanying financial statements for that year; officers may have been of the view there was little to be gained from attempting to conclude the AGS when we're unable to conclude the pertaining/accompanying financial statements. Perhaps others - copied into this email - can comment on this.

By the way, as a general observation, I think some of the issues you have identified in the AGS are symptomatic of delays in concluding it. In other words, delays in finalising the financial statements, caused I understand by external audit difficulties, is having "knock-on effects".

Q2

The report considered at A&S on 25 September 2023 said

## 6 Business Strategy

6.1 Warwick District Council has adopted a Business Strategy which sets out key areas for service delivery. Each proposed decision should set out how the report contributes to the delivery of these strategic aims. If it does not contribute to these aims or has a negative effect on them the report should explain why that is the case.

The present report states:

## 6 Business Strategy

### 6.1

Warwick District Council has adopted a Corporate Strategy that sets three strategic aims for the organisation. Each proposed decision should set out how the report contributes to the delivery of these strategic aims. If it does not contribute to these aims or has a negative effect on them the report should explain why that is the case.

- Delivering valued, sustainable services
- Low cost, low carbon energy across the district
- Creating vibrant, safe and healthy communities of the future.

This I think is the current strategy, not the one in operation for the period of the report. I have no objection to the current strategy being used but I think it should be made clear that it is the present one, written after the end of the last financial year, despite what is said at the end of Appendix A:

## 7 Conclusion

7.1 The governance framework described in this document has been in place at Warwick District Council for the year ended 31 March 2023 and up to the date of approval of the annual statement of accounts.

### Response:

The covering report requires the current business strategy to be recorded (as do all covering reports to Committees and to Cabinet). I might be missing the point but I don't see that it is significant that the business strategy referred to in the covering report may be a different business strategy to that referred to in the AGS.

Q3 Perhaps this is a comment not a question.

Appendix A 6.3 The significant governance issues raised in last year's annual governance statement have all been addressed. This can be confirmed in Appendix 1, below.



To my mind this implies that they have all been addressed satisfactorily. I agree they have been addressed, but not satisfactorily, in particular, quoting from the Governance report 21/22

“7.2 The new Overview and Scrutiny and Standards and Audit committees will present challenges in terms of clarity of role. Councillors will need to be trained on the operation of the new Overview and Scrutiny and Standards and Audit committees to enable them to participate more confidently.”

The fact that this has not been completely addressed is evidenced by the following significant governance issues identified in the Governance Statement for 2022/23

Appendix A:

6.1.1 The breadth and volume of the Overview and Scrutiny Committee’s workload.

6.1.2 The presentation of Cabinet reports that mitigate effective scrutiny of them.

6.1.3 The range of skills that are required by the Overview and Scrutiny Committee to enable effective scrutiny, particularly in respect of financial expertise.

Response:

This item is outside of my jurisdiction I’m afraid.

Councillor Syson (continued):

Given the following significant governance issues identified in the Governance Statement for 2022/23 (Item 14)

Appendix A:

6.1.1 The breadth and volume of the Overview and Scrutiny Committee’s workload.

6.1.2 The presentation of Cabinet reports that mitigate effective scrutiny of them.

6.1.3 The range of skills that are required by the Overview and Scrutiny Committee to enable effective scrutiny, particularly in respect of financial expertise.

I would like to know whether officers honestly expect the O&S committee to be able to adequately scrutinise at this week’s meeting the current Cabinet agenda, in particular the following items:

4. Treasury Management Strategy 2024/25

6. Housing Revenue Account Business Plan Review 2024

7. West Midlands Investment Zone

11. Change Programme

13. Q3 Budget Update 2023/24

14. Annual Governance Statement 2022/23

Response from Deputy Chief Executive:

As mentioned, I am working with Andrew M and David A on how the committee manages its workload by taking a risk-based approach to items as well as ensuring it looks at a sample of areas the Council is responsible for.

For example, the committee want to take a greater look and dive into the HRA but would prefer this to be a dedicated agenda item later this year.

Response from the Head of Governance & Monitoring Officer:

Thank you for this, in addition to the response from Darren Knight I would draw your attention to the comprehensive response from O&S Committee to the Audit & Standards Committee at their last meeting, following similar questions that have been raised. A copy of the response is attached for information.



Item 09 - Appendix 2  
to the Work Program