

# Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday 31 October 2017 at the Town Hall, Royal Leamington Spa at 6.00pm.

**Present:** Councillor Barrott (Chair), Councillors Cain, Gallagher, Gifford, Howe, Illingworth, Margrave, Noone and Quinney.

**Also present:** Councillors Grainger, Mobbs, Rhead, Thompson & Whiting.

## 70. Apologies and Substitutes

- (a) Apologies for absence were received from Councillor Davies; and
- (b) There were no substitutes.

## 71. Declarations of Interest

Minute 78 – Executive Agenda (Non-Confidential Items & Reports – Wednesday 1 November 2017) – Item 11 – Europa Way - Update

Councillor Gifford declared a prejudicial interest because he was a Warwickshire County Councillor and left the room whilst the item was discussed.

## 72. Minutes

The minutes of the meeting held on 26 September 2017 were taken as read and signed by the Chair as a correct record.

## 73. Minutes of Joint Scrutiny Committee

The minutes of the meeting held on 18 September 2017 were taken as read and signed by the Chair as a correct record.

## 74. National Fraud Initiative Update

The Committee received a report from Finance which detailed the progress to date on the Council's investigations into the data matches from the 2016-17 National Fraud Initiative (NFI) programme.

The National Fraud Initiative (NFI) was a national inter-organisational data matching service developed by the Audit Commission but now managed by the Cabinet Office.

While the NFI had traditionally focused on housing benefit fraud as its main target area, recent years had seen pensions and council tax discount overtake housing benefits in terms of monetary value attributed to fraud and irregularities detected through its activities. Of the other areas targeted by NFI, those relevant to Warwick District Council were:

- Council Tax reduction (under local scheme)
- employment

- social housing tenancies
- right to buy
- social housing waiting lists
- trade creditors
- licensing (taxi and alcohol)
- insurance claims.

To meet its obligations under the NFI, the Council was required to; extract and supply data to the managing body (now the Cabinet Office); and review and, where appropriate, investigate output referred back from the data matching processes and report the outcomes to the managing body.

The table at 9.1 of the report summarised the results to date for the 2016-17 round of the NFI alongside the final outcomes of the 2014-15 round for comparison.

The Audit & Risk Manager introduced the interim report and advised that the results would be sent to the Cabinet Office. The table on page 5 of the report, showed the results to date and highlighted the number of cases of fraud or error that had been identified in 2014-15 and 2016-17.

In response to a question regarding paragraph 9.10, Members were advised that recovery of an overpayment to a creditor was still being pursued, however, the creditor was refusing to admit to receiving this. Officers agreed to continue to investigate the situation.

Following a question from Councillor Margrave, the Audit and Risk Manager advised that the Council did a number of benchmarking exercises with other authorities but not on NFI. However, Oxford City Council would be visiting the Council soon and officers were happy to discuss this with them then.

Members thanked the officers for the report, and

**Resolved** that the outcomes to date and relevant explanations from the 2016-17 round of the NFI be noted.

(Councillor Noone arrived during deliberation of this item)

**75. Executive Agenda (Non-Confidential Items & Reports – Wednesday 1 November 2017)**

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 1 November 2017.

Item 7 – Tach Brook Country Park

The Committee supported the recommendations in the report.

Item 11 – Europa Way – Update

The Committee supported the recommendations with the addition of the words 'with Leamington Football Club' to recommendation 2.4.

**76. Public & Press**

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within paragraphs 1, 2 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

**77. Executive Agenda (Confidential Items & Reports – Wednesday 1 November 2017)**

The Committee considered the following confidential item which would be discussed at the meeting of the Executive on Wednesday 1 November 2017.

Item 16 – Royal Naval Association Club

The Committee fully supported recommendation 2.1. However, in relation to recommendation 2.2, Members made a formal proposal which would be detailed in full in the confidential minutes of the meeting.

**78. Review of Health & Community Protection Services Risk Register**

The Committee received a report from Health & Community Protection which set out the process for the review of the Health & Community Protection Services Risk Register.

The latest version of the register was attached as Appendix 1A to the report, which officers advised was regularly reviewed and updated. Health & Community Protection also maintained a summary table as a supplement to the Risk Register to manage their key risks more closely. This was set out as Appendix 1B to the report.

The Health & Community Protection Risk Register was owned and managed by the Portfolio Holder & the Health & Community Protection Management Team. The register was reviewed on a monthly basis by the Management Team and discussed on a regular basis by Head of Health & Community Protection and Portfolio Holder at their one-to-one meetings.

The report advised that the three main risks within the service area were considered to be: GR 1 – staff resources and loss of key staff; GR 2 – Health and Safety risks to staff – evening/night time enforcement, Lone working, staff safety, Injuries and abuse; and GD8 - Unable to meet levels of service expected.

The Head of Health & Community Protection introduced the report and highlighted the three main risks detailed above.

In response to questions from the Committee, the Head of Health and Community Protection confirmed that:

- The risk relating to staff resources was linked to a recent restructure which took place in May 2017 – existing staff had been matched into nine of the 12 jobs, however, some staff had left and the service area was carrying five vacancies;
- Officers were confident of filling the vacancies;
- In relation to risk GD6 – Not applying Equality and Diversity principles, there had not been an incident report in the past ten years;
- In relation to risk GI1 – Loss of IT and records - new data protection regulations would be introduced in May 2018 and as a result, the department's pages on the Council website would be reviewed;
- In relation to SS11 – Failure to improve air pollution (NO2) levels - the Council did monitor particulate levels in the air and some areas were improving, however, the locations to be measured were set by DEFRA and not by the Council themselves.

The Head of Health and Community Protection and the Portfolio Holder were thanked for attending, and the Committee

**Resolved** that the report be noted.

**79. Executive Agenda (Non-Confidential Items & Reports – Wednesday 1 November 2017)**

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 1 November 2017.

Item 14(A) – Significant Business Risk Register

The Committee supported the recommendations in the report.

Item 13 – 100% Business Rate Retention Pooling Pilot

The Committee supported the recommendations in the report.

Item 6 – Arrangements for Civic Transport & Support

The Committee supported the recommendations but had reservations about various aspects of the proposal. It was suggested that a local car company could be used to source a new vehicle.

**80. Comments from the Executive**

The Committee considered a report from Democratic Services which summarised the Executive's response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 26 September 2017.

Councillor Illingworth queried the new report format and requested that officers investigate the possibility of removing the table in section 4 of the template. The Senior Committee Services Officer advised that work had already begun on condensing some of the reporting structures to avoid printing unnecessary pages.

**Resolved** that the report be noted.

81. **Review of the Work Programme & Forward Plan**

The Committee considered its Work Programme for 2017/2018 and the Forward Plan.

Officers advised that a number of items had been moved to coincide with the timetable that the Audit team were working to. In addition, the Senior Committee Services Officer reminded all Members that training session on Procurement was due to be delivered on Monday the following week.

**Resolved** that the report be noted.

82. **Public & Press**

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within paragraphs 1, 2 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

83. **Minutes**

The confidential minutes of the meeting held on 30 August 2017 were taken as read and signed by the Chairman as a correct record.

(The meeting ended at 8.16 pm)