

 <b>Finance &amp; Audit Scrutiny Committee</b> <b>- 6 March 2018</b>		<b>Agenda Item No.</b> <h1 style="text-align: center;">10</h1>
<b>Title</b>	<b>Comments from the Executive</b>	
<b>For further information about this report please contact</b>	Amy Barnes Senior Committee Services Officer 01926 456114 <a href="mailto:committee@warwickdc.gov.uk">committee@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	n/a	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	n/a	
<b>Background Papers</b>	Executive - 08.02.2017	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality Impact Assessment Undertaken</b>	No

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive		
Head of Service		
CMT		
Section 151 Officer		
Monitoring Officer	19/10/2017	Andrew Jones
Finance		
Portfolio Holder(s)		
<b>Consultation &amp; Community Engagement</b>		
n/a		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. Summary

- 1.1 This report summarises the Executive’s response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 7 February 2018.

## 2. Recommendation

- 2.1 That the responses made by the Executive be noted, as set out in Appendix 1 to the report.

## 3. Reasons for the Recommendation

- 3.1 This report is produced to create a dialogue between the Executive and the Finance & Audit Scrutiny Committee, ensuring that the Scrutiny Committee is formally made aware of the Executive’s responses.

## 4. Policy Framework

### 4.1 Fit for the Future (FFF)

The Council’s FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.

The FFF Strategy has 3 strands – People, Services and Money and each has an external and internal element to it. The table below illustrates the impact of this proposal if any in relation to the Council’s FFF Strategy.

<b>FFF Strands</b>		
<b>People</b>	<b>Services</b>	<b>Money</b>
<b>External</b>		
<b>Health, Homes, Communities</b>	<b>Green, Clean, Safe</b>	<b>Infrastructure, Enterprise, Employment</b>
<u>Intended outcomes:</u> Improved health for all Housing needs for all met Impressive cultural and sports activities Cohesive and active communities	<u>Intended outcomes:</u> Area has well looked after public spaces All communities have access to decent open space Improved air quality Low levels of crime and ASB	<u>Intended outcomes:</u> Dynamic and diverse local economy Vibrant town centres Improved performance/productivity of local economy Increased employment and income levels
<b>Impacts of Proposal</b>		
Nil	Nil	Nil
<b>Internal</b>		
<b>Effective Staff</b>	<b>Maintain or Improve Services</b>	<b>Firm Financial Footing over the Longer Term</b>
<u>Intended outcomes:</u> All staff are properly trained All staff have the appropriate tools	<u>Intended outcomes:</u> Focusing on our customers’ needs Continuously improve our processes	<u>Intended outcomes:</u> Better return/use of our assets Full Cost accounting Continued cost

All staff are engaged, empowered and supported The right people are in the right job with the right skills and right behaviours	Increase the digital provision of services	management Maximise income earning opportunities Seek best value for money
<b>Impacts of Proposal</b>		
Nil	Nil	Dialogue between Scrutiny and Executive enables robust decision making and ensures all elements of the proposal are taken into account.

#### 4.2 **Supporting Strategies**

Each strand of the FFF Strategy has several supporting strategies; however, this report is for governance purposes. It is important that when the Executive has not accepted a recommendation by the Scrutiny Committee, an explanation is provided.

#### 4.3 **Changes to Existing Policies**

There are no changes to existing policies.

#### 4.4 **Impact Assessments**

There are no new policy changes in respect of equalities.

#### 5. **Budgetary Framework**

5.1 There is no impact on the budgetary framework. This is for the Committee's information only.

#### 6. **Risks**

6.1 This Committee contributes to the effective minimisation of risk by fulfilling its duties in a timely manner and scrutinising the work undertaken by the Executive.

#### 7. **Alternative Option(s) considered**

7.1 The only alternative option is not to undertake this aspect of the overview and scrutiny function.

#### 8. **Background**

7.1 As part of the scrutiny process, the Committee no longer considers the whole of the Executive agenda.

7.2 Councillors are emailed at the time of the publication of the Executive and Scrutiny Committee agendas, asking them to contact Committee Services by 9.00 am on the day of the Scrutiny Committee, to advise which Executive items they wish the Scrutiny Committee to pass comment on and the reasons why.

7.3 As a result, at its meeting on 4 April 2017, the Finance & Audit Scrutiny Committee considered the items detailed in the appendices. The responses which the Executive gave are also shown.

**Responses from the meeting of the Executive held on 7 February 2018 to the Finance and Audit Scrutiny Committee's comments**

<b>Item no</b>	3	<b>Title</b>	2018/19 General Fund Budget & Council Tax
<b>Scrutiny Comment</b>	<p>The Finance &amp; Audit Scrutiny Committee recognised the challenge of depreciation of our assets within accounts and asked that any work that can be done to provide funds for replacing and maintaining assets should be taken.</p> <p>The Committee agreed to add to their work programme a review of the budgeted reserves to ensure they are necessary and appropriate.</p> <p>The Committee support the use of new homes bonus for specific projects and not being used to support core general fund service.</p>		
<b>Executive Response</b>	<p>The Executive thanked the Scrutiny Committee for their comments and proposed work. They highlighted that the Government Central Support Grant had been reduced by over £4.5million and, based on current estimates, this Council would be paying the Government £250,000 per year instead of receiving the grant. In that context, the performance of this Council had been exceptional and officers should be congratulated because it had enabled the Council to deliver services without cuts, allocate the new homes bonus to projects (rather than fund the day to day work of the Council) and create appropriate reserves for if work was needed.</p>		

<b>Item no</b>	4	<b>Title</b>	Treasury Management Strategy 2018/19
<b>Scrutiny Comment</b>	<p>The Finance &amp; Audit Scrutiny Committee supported the recommendations in the report and asked for the equity fund options to be shared with Councillors before this is considered by Council in February.</p>		
<b>Executive Response</b>	<p>The Executive highlighted that the Council had out-performed the benchmark for this area of work and, as a result, the Council had used its money more effectively to provide a greater return and therefore reduce the burden on the local tax payer.</p> <p>The Executive were mindful that some would have concerns about the use of equity funds but with correct checks and balances and an appropriate reserve these were providing a greater return for the Council than if the money was sat in the bank.</p> <p>There was work in this area that Scrutiny could contribute to and the Portfolio Holder for Finance agreed to liaise with the Chairman of the Committee to identify the approach that would bring the most benefit for the Council.</p>		

<b>Item no</b>	5	<b>Title</b>	Housing Revenue Account (HRA) Budget 2018/19 and Housing Rents
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee supported the recommendations in the report.		
<b>Executive Response</b>	No response required.		

<b>Item no</b>	6	<b>Title</b>	Heating, Lighting and Water Charges 2018/19 – Council Tenants
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee supported the recommendations in the report.		
<b>Executive Response</b>	No response required.		

<b>Item no</b>	7	<b>Title</b>	Creation of additional car parking provision in Leamington
<b>Scrutiny Comment</b>	<p>The Joint meeting of the Finance &amp; Audit and Overview &amp; Scrutiny Committee recognised the significant public interest in this item, there was a significant debate on this with all parties contributing to the discussion and there were concerns about the proposals for a number of reasons, however on being put to the vote the majority supported the recommendations 2.1 to 2.6.</p> <p>In addition the Committee made two recommendations to the Executive these were</p> <ol style="list-style-type: none"> <li>(1) to explore if Riverside House can be used in weekdays as well as weekends; and</li> <li>(2) that any further options brought forward should be consulted on with stakeholders.</li> </ol>		
<b>Executive Response</b>	The Executive agreed the recommendations in the report along with the additional recommendations from the Joint Scrutiny.		

<b>Item no</b>	10	<b>Title</b>	Private Sector Leasing Scheme
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee supported the recommendations in the report.		
<b>Executive Response</b>	No response required.		

<b>Item no</b>	14	<b>Title</b>	Investment in Newbold Comyn Arms Manor House
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee supported and accepted assurances that the agreement will seek to minimise any risk to the Council of any hiatus in the business or loss of key equipment, in the event of the contractor failing or withdrawing’.		
<b>Executive Response</b>	The Executive noted the concerns of the Committee and these would be taken these into consideration as part of the process establishing the loan.		

<b>Item no</b>	15	<b>Title</b>	Investment in Playbox Theatre
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee supported the recommendations in the report, but asked that before the loan is provided assurance is sought from them that the sponsorship and grants are recurring and that the theatre should be encouraged to undertake more fundraising themselves.		
<b>Executive Response</b>	The Executive were mindful they could have awarded this in other circumstances, as a grant, and were confident in the due diligence of officers for this to ensure this would be repaid. Considering this and the business constraints in place on the theatre, because of the lack of car parking, the Executive were content to support the proposal.		

<b>Item no</b>	16(B)	<b>Title</b>	Significant Business Risk Register
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee did not comment on this item, have added it to their work plan for next meeting and ask that the Leader or his Deputy plus Councillor Whiting to attend their meeting.		
<b>Executive Response</b>	No response required.		

<b>Item no</b>	18	<b>Title</b>	Proposed purchase of the site of the former Stoneleigh Arms, Royal Leamington Spa
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee noted that there had been an independent valuation of the premises which was considered reasonable and that the Deputy Chief Executive (BH) would circulate this valuation to the Executive before they take this decision.		
<b>Executive Response</b>	The property valuation had been circulated to the Executive prior to the meeting, as requested.		

<b>Item no</b>	Urgent	<b>Title</b>	Beauchamp House – 77-79 Coten End
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee supported the recommendations in the report including a revised wording to recommendation 2.1 so it reads “in the region of” and not “exceeding”.		
<b>Executive Response</b>	The Executive agreed with the revised wording proposed by the Committee.		