

FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 11 December 2012 at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillor Mrs Knight (Chair): Councillors Barrott, Pittarello, Rhead, Mrs Sawdon, Mrs Syson and Williams.

ALSO PRESENT: Councillors Mobbs and Vincett (Portfolio Holders) and Mrs Bromley.

Apologies for absence were received from Councillors MacKay, Mrs Mellor and Pratt.

94. **SUBSTITUTES**

There were no substitutes.

95. **DECLARATIONS OF INTEREST**

Minute 97 – Executive Agenda (Non-Confidential Items & Reports) – Item Number 4 – General Fund Base Budgets latest 2012/13 and original 2013/14

Councillor Rhead declared that he was a Barford Parish Councillor, during the course of the item.

Minute 99 – Executive Agenda (Confidential Items & Reports) – Item Number 16 – Fetherston Court Development Options

Councillor Mrs Knight declared that she was a Ward Councillor for the site in question, during the course of the item.

96. **MINUTES**

The minutes of the meeting held on 13 November 2012 were taken as read and signed by the Chair as a correct record.

97. **EXECUTIVE AGENDA (NON-CONFIDENTIAL ITEMS & REPORTS)**

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 12 December 2012.

Item Number 4 – General Fund Base Budgets latest 2012/13 and original 2013/14

The Committee supported the recommendations in the report, including the additional recommendations detailed in the supplementary budget paper which was issued following publication of the agenda, subject to additional

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recommendation 2.2 which related to Parish Councils being amended to read "Parish and Town Councils on a non-recurrent basis".

Item Number 5 – Housing Revenue Account Base Budgets latest 2012/13 and original 2013/14

The Committee supported the recommendations in the report, but expressed concern that five Disabled Adaptations would not be completed within this financial year and that this should not have a negative effect on the lives of the people concerned. Members were assured that the adaptations would be completed within the first half of 2013/14 and that the Committee would be informed as soon as this had been done. Members requested that a presentation on Disabled Adaptations be added to the Committee's work programme.

The Committee noted the reason for the increase in bad debts provision but was very keen to see debts recouped and therefore asked to be kept informed as the new benefit programme unfolds next year.

98. 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 two items, 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.

99. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following confidential item which would be discussed at the meeting of the Executive on Wednesday 12 December 2012.

Item Number 16 – Fetherston Court Development Options

Officers agreed to inform the Committee as to whether sprinklers would be provided at Fetherston Court.

The Committee supported recommendations 2.1 to 2.6 in the report, but felt that the figure in recommendation 2.7 should be reduced as there were already other adequate contingencies built into the budget and therefore made recommended that the Executive reduce the figure to £100,000.

100. BUSINESS PLAN PERFORMANCE MANAGEMENT REPORT

The Committee considered a report from Housing and Property Services which gave an update on the Housing Business Plan Performance.

Members noted that the two figures on page 9 of the report were incorrect and should actually read £43,000 and £179,000 respectively.

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Concern was expressed that projected costs per property seemed high. However, Members were reassured that the District Council's figures were low in comparison to most other providers with similar levels of stock. The Head of Housing and Property Services reiterated his commitment to keeping costs as low as possible.

The Committee asked that officers be congratulated for all the favourable steps taken by the department and detailed in the report.

The recommendations as set out in the report were agreed.

101. LOCAL PLAN RISK REGISTER

Further to a decision taken at the 13 November meeting of the Committee, to prioritise and review the various elements of the Significant Business Risk Register, Members received a presentation on the Local Plan Risk Register (LPRR) by the Development Policy Manager.

Some dissatisfaction was expressed that the Portfolio Holder had been unable to attend and it was suggested that the item be deferred until he was available, as the Local Plan Risk Register came under his ownership. Members decided to receive the Development Policy Manager's presentation but also agreed that the Portfolio Holder should be invited to attend a meeting of the Committee early in 2013 with an up-to-date version of the LPRR.

The Development Policy Manager outlined the three main areas of the LPRR, those being: delivering a sound plan; adopting the plan to timetable; and infrastructure planning and community infrastructure levy. He talked about the methods and reasoning which underpinned the ratings, impact, scoring and mitigation for the various risks detailed under the three headings.

The Development Policy Manager responded to questions relating to the definitions of likelihood and impact, duty to cooperate, justification of exceptional circumstances for development within the Green Belt and interactions with infrastructure providers and associated risks.

The Committee noted that reports on the Significant Business Risk Register and Risk Management Action Plan would be presented to the Executive in January 2013. Additionally, the Corporate & Community Services Risk Register would be presented to this Committee. Members therefore suggested that the Portfolio Holder be asked to attend the February 2013 meeting with the updated LPRR.

The Development Policy Manager was thanked for attending the meeting, for his report and presentation and for responding to questions. Rhead requests this risk register goes to every member.

(Councillors Mobbs and Mrs Sawdon left the meeting during the course of this item.)

102. PUBLIC AND PRESS

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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 paragraphs 1, 3 and 7 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

103. REVIEW OF CORPORATE CASH COLLECTION AND BANKING PROCEDURES

The Committee considered a report from the Audit and Risk Manager which advised Members of the outcomes of the council-wide review of income collection and banking procedures.

The Audit and Risk Manager reminded Members that the review had been instigated at their request and expressed his view that it had been a worthwhile piece of work. Members agreed and were pleased that the report addressed all of their concerns. The officer was thanked for his excellent work.

The Committee was keen to see that the recommendations in the report were implemented and noted that progress would be reported in due course.

RESOLVED that the report be noted and its contents accepted.

104. EXECUTIVE AGENDA (NON-CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following non-confidential item which would be discussed at the meeting of the Executive on Wednesday 12 December 2012.

Item Number 9 – Joint Working with Bowls England

The Committee was delighted at Bowls England's decision to bring the Men's National Bowls Championships to Leamington Spa from 2014 and that Bowls England headquarters would be relocated to Riverside House with the aim of being in place by Easter 2013. The Committee supported the recommendations in the report.

105. INTERNAL AUDIT QUARTER 2 REPORT

The Committee considered a report from Audit which advised on progress in achieving the Internal Audit Plan 2012/13, summarised the audit work completed in the second quarter and provided assurance that action had been taken by managers.

It was the Committee's duty to provide independent assurance and scrutiny of the authority's financial and non-financial performance. The report aimed to help the committee fulfil these responsibilities by reviewing summary internal audit reports and the main issues highlighted, if any.

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

A summary of the recommendations and management responses from internal audit reports issued for the second quarter of 2012/13 was attached as an appendix to the report.

The Audit and Risk Manager highlighted the one area which had been issued with a moderate or low level of assurance, that being Document Management Systems. The accumulation and storage of data on one of the Council's shared drives was the main concern, and would be raised by the Chief Executive at the next Corporate Management Team meeting as an issue to be addressed without delay. However, the Audit and Risk Manager reiterated that this was a responsive action and felt that there was a need to take steps to prevent the issue from recurring in the first place. The Committee noted that it would be informed of the actions taken in due course.

RESOLVED that the report be noted and its contents accepted.

106. 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 paragraphs 1, 2 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

107. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following non-confidential and confidential items which would be discussed at the meeting of the Executive on Wednesday 12 December 2012.

Item Numbers 6 & 19 – Proposed Regeneration LLP – Parts A & B

The Committee noted that it would be proposed to the Executive that paragraph 2.4 be amended to read "That Executive delegates authority to the Chief Executive and Monitoring Officer, in consultation with Legal Services and the Leader, to agree the Council representation on the LLP Board".

Members asked a number of questions in relation to procurement practice and costs and explored what would happen if a project were not approved. The Committee supported the recommendations as proposed to be amended. Referring to Part B paragraphs 8.6 and 8.7, Members stressed that there should be clear identification of the kinds of costs which might arise. They also wanted clarity about who should be responsible for such costs especially if a project were dropped.

108. EXECUTIVE AGENDA (NON-CONFIDENTIAL ITEMS & REPORTS)

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

The Committee considered the following non-confidential item which would be discussed at the meeting of the Executive on Wednesday 12 December 2012.

Item Number 12 – Green Space Strategy

The Committee supported the recommendations in the report. Members were keen to see recommendations in 2.4 and 2.5 to identify specific sites and urged that the strategy be progressed as soon as possible.

(Councillor Pittarello left the meeting during the course of this item.)

109. **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 paragraphs 1, 2, 3 and 7 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

110. **EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)**

The Committee considered the following confidential item which would be discussed at the meeting of the Executive on Wednesday 12 December 2012.

Item Number 18 – Finance Review

The Committee supported the recommendations in the report.

111. **COMMENTS FROM THE EXECUTIVE**

A report from Civic and Committee Services summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 14 November 2012.

RESOLVED that the contents of the report be noted.

(Councillor Bromley left the meeting during the course of this item.)

112. **REVIEW OF THE WORK PROGRAMME**

A report from Civic and Committee Services detailed the Committee's work programme for 2012/13.

It was agreed that the Local Plan Risk Register should be added to the work programme for the February 2013 meeting, and that a presentation on Disabled Adaptations also be added.

RESOLVED that the work programme for 2012/13 be noted.

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

113. FORWARD PLAN

The Committee considered a report from Civic and Committee Services informing them of the current Forward Plan, attached as an appendix to the report.

One of the five main roles of overview and scrutiny in local government was to undertake pre-decision scrutiny of Executive decisions. If the Committee had an interest in a future decision to be made by the Executive it was within the Committee's remit to feed into the process.

The Forward Plan detailed the future work programme for the Executive. If a non-executive member highlighted a decision which was to be taken by the Executive which they would like to be involved in, members could then provide useful background to the Committee when the report was submitted to the Executive and they were passing comment on it.

RESOLVED that there were no forthcoming Executive decisions which they wished to have an input into before the Executive make their decision, at present.

(The meeting ended at 8.45 pm)