

# **FINANCE AND AUDIT SCRUTINY COMMITTEE**

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

**PRESENT:** Councillor Mrs Knight (Chair): Councillors Barrott, Mrs Mellor, Rhead, Mrs Sawdon, Syson and Wreford-Bush.

ALSO PRESENT: Councillors Coker and Mobbs (Portfolio Holders).

Apologies for absence were received from Councillors Dagg, Cross, MacKay, Pittarello and Pratt.

## **57. SUBSTITUTES**

Councillor Rhead substituted for Councillor Dagg and Councillor Wreford-Bush for Councillor Pittarello.

## **58. DECLARATIONS OF INTEREST**

There were no declarations of interest.

## **59. HOUSING TAX BENEFIT FRAUD POLICY & STRATEGY**

The Committee considered a report from Finance which updated members on the performance of the Benefit Fraud Service for the 2011/12 financial year.

The report also detailed the Council's Anti Fraud Policy, Anti Fraud Strategy and Sanctions Policy and provided an update on the Single Fraud Investigation Service.

The Benefits and Fraud Manager, Andrea Wyatt, introduced the report and explained that the number of prosecutions had increased in 2011/12 and that the Council had been encouraged to send out a clear message to residents that any fraudulent activity would be thoroughly investigated and acted on.

Councillor Syson asked if the demise of the Audit Commission would have an effect on the Fraud team and queried if the Council would be continuing to prosecute individuals at this rate. Andrea Wyatt advised that the Council had every intention of maintaining the high rate of prosecutions for this year but explained that future years were uncertain. This was due to the introduction of Universal Credit and the potential for a single fraud investigation service to be introduced.

The Committee was advised that the majority of information regarding potential issues of fraud were received via data matching with bank and employment records, however, some information was still submitted by anonymous callers. It was highlighted that numbers of calls were higher following publicity of the help line in the local press.

## **FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)**

Andrea Wyatt explained that the table detailed on page 3 of the report showed the sums of money that the Council were trying to recover and stated that she would provide Members with similar figures of actual funds recovered to date.

Queries were raised regarding staffing levels and the affect that the introduction of the Single Fraud Investigation Team could have on the existing fraud investigation staff. Members were informed that the staff would still be employed by the Council but would be following procedures produced by the Department of Work and Pensions. The Committee were mindful that it was not possible to produce a clear policy until Universal Credit had been formally introduced but the expectation was that existing staff would transfer.

**RESOLVED** that the content of the report be accepted.

### **60. 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 items, by reason of the likely disclosure of exempt information within paragraphs 1 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

### **61. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)**

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

#### **Item Number 7 – Integrated Waste, Grounds Maintenance and building Cleaning Contracts Re Let**

Both Scrutiny committees received a presentation from Neighbourhood Services prior to the start of their individual meetings which included an overview of the key principles, the full process from information gathering to tender stage and the expectations of the contract.

The Head of Neighbourhood Services, Ian Coker, Contracts Manager, Rob Hoof and Portfolio Holder for Neighbourhood Services, Councillor Shilton attended the meeting and answered a number of detailed questions from the Committee.

A spreadsheet was distributed which clarified the sum of the new contract, the existing budget and the total savings or cost to the Council.

A number of queries were raised including the location of relevant risk logs, the absence of specification on vehicle age or condition, the introduction of

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plastics recycling and the subsequent costs to the Council. All of these queries were answered in detail by the officers present.

The Committee congratulated all officers involved for their commitment to the process and were pleased that it had highlighted the benefits of excellent procurement practice. The Committee supported the recommendations in the report.

### **62. 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 September 2012.

#### **Item Number 4 – New agreement with WCC regarding the operation of Barrack Street Car Park**

The Committee asked the Portfolio Holder for Neighbourhood Services, Councillor Shilton, a number of questions regarding the safety and security of the car park building.

Members could understand the Council's suggestion to opt out of any potential claim that could come forward but had concerns that the health and safety issues were still a problem. The Committee were informed that users of the customers were often having to use the ramps in the car park to access different levels, which was especially hazardous for the infirm, wheelchair users and families with pushchairs.

The Committee were also disappointed that there would be a potential loss of income for the Council and requested further clarification on paragraph 5.5 of the report which stated that any income would cease.

It was agreed that District Councillors, especially those with dealings with Warwick Town Council should be working together to encourage the County Council to re-vamp the building where practicable and ensure that the public's safety was a priority.

The Committee agreed with the recommendations in principal but strongly felt that Warwick District Council should press the County Council to make the car park safer in order to minimise the risk of accidents for the public.

### **63. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)**

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 11 September 2012.

#### **Item Number 8 – Land at Spinney Hill, Warwick**

The Committee supported the recommendations in the report and hoped that the Council would maximise the opportunity of receiving additional funds and use them to purchase properties which could be used for Social Housing.

## **FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)**

### Item Number 9 – Finance Staffing Review

The Head of Finance, Mike Snow, attended the meeting and introduced the report. He explained that the staffing review was as a result of the recent Fit for the Future intervention in Finance and advised that a detailed report would be submitted to the Employment Committee later this month. Members noted that there would be some changes in responsibility for staff and that Finance would be working with Human Resources to job match individuals where possible.

The Committee supported the recommendations in the report.

#### **64. INTERNAL AUDIT QUARTER 1 2012/13 PROGRESS 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 first quarter and provided assurance that action had been taken by managers.

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

A summary of the recommendations and management responses from internal audit reports issued for the first quarter of 2012/13 was attached as Appendix 1 to the report.

The Head of Finance, Mike Snow, introduced the report and passed on the report authors apologies for being unable to attend the meeting. In addition, two replacement appendices were distributed at the meeting following a minor amendment.

Mike Snow advised that normally it was not common for the team to complete as many audits in the first quarter but was pleased that they had reached their target already, as detailed in Appendix 3 to the report.

**RESOLVED** that the report be noted and its contents accepted.

#### **65. REVIEW OF THE WORK PROGRAMME**

The Committee received a report from Civic and Committee Services detailing the Committee's work programme for 2012/13.

The Head of Finance, Mike Snow, provided Members with an update on the Reform to Council Tax, with specific focus on the 'Type C' exemptions. He stated that, following government advice, the Council had been advised that Type C exemptions could be split. Members were reminded that the Council Tax Manager, David Leech, had circulated papers which contained his proposals for dealing with these exemptions and Mike Snow urged all members to ensure they submitted their views and comments as soon as possible.

## **FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)**

The Chair, Councillor Mrs Knight, informed the Committee that there had been a small team of Procurement Champions meeting quarterly and to date had included Councillors Mrs Knight herself, and Councillors MacKay and Rhead. She advised that Councillor MacKay had now stepped down and she was looking for not only a replacement for him but also a few other members to join their group. The Committee Services Officer agreed to extend the invitation to all members of the Committee in their absence.

**RESOLVED** that the work plan for 2012/13 be noted.

### **66. COMMENTS FROM THE EXECUTIVE**

A report from Committee Services summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 8 August 2012.

**RESOLVED** that the contents of the report be noted.

### **67. FORWARD PLAN**

The Committee considered a report from Members' 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.

Members noted that the Fetherston Court report had moved from September to December 2012 and were advised that officers would provide a reason for the delay shortly.

In addition, queries were raised regarding the continual delay of the Asset Management Plan and the Committee were assured that this would be investigated and the information passed on to them.

**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 7.55 pm)