

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday 9 July 2019 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillors Ashford, Bartlett, J Dearing, R Dickson, Leigh-Hunt, Syson, Tangri and Wright.

Also present: Councillors Falp, Matecki and Rhead

12. Appointment of Chairman

In the absence of the Chairman it was proposed by Councillor R Dickson, seconded by Councillor Leigh-Hunt and

Resolved that Councillor Syson be appointed as Chairman for the meeting.

13. Apologies and Substitutes

(a) Apologies for absence were received from Councillors Jacques and Nicholls; and

(b) Councillor Ashford substituted for Councillor Tracey.

14. Declarations of Interest

Minute Number 29 – Review of the Work Programme and Forward Plan

At the time of discussing this item, Councillor Syson declared an interest because she was Chair of the Leamington Society who worked with the friends of the Pump Room Gardens who had been involved in the Pump Room Gardens Restoration Project.

15. Finance – Service Area Update

It was proposed duly seconded and

Resolved that the Finance – Service Area Update be deferred to 30 July 2019 meeting of the Committee.

16. Executive Agenda (Non Confidential Items & Reports – Wednesday 10 July 2019)

The Committee considered the following items which would be discussed at the meeting of the Executive on Wednesday 10 July 2019.

Item 10 – WDC Discretionary Housing Payment Policy Review

The Committee supported the recommendations in the report.

17. **Public and 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 paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

18. **Executive Agenda (Confidential Items & Reports – Wednesday 10 July 2019)**

The Committee considered the following item which would be discussed at the meeting of the Executive on Wednesday 10 July 2019.

Item 5 – Commonwealth Games 2022 (CG 2022) – CWLEP funding bid

The Committee supported the recommendations in the report.

19. **Executive Agenda (Non Confidential Items & Reports – Wednesday 10 July 2019)**

The Committee considered the following items which would be discussed at the meeting of the Executive on Wednesday 10 July 2019.

Item 7 - Local Football Facilities Projects

The Committee supported the recommendations in the report.

Item 8 - Project Officers – Cultural Services

The Committee supported the recommendations in the report.

Item 16 - Significant Business Risk Register

The Committee noted the report.

(This was also contained on the agenda of the Committee as Item 8)

20. **Public and 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 paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

21. **Executive Agenda (Confidential Items & Reports – Wednesday 10 July 2019)**

The Committee considered the following item which would be discussed at the meeting of the Executive on Wednesday 10 July 2019.

Item 19 - Affordable housing purchase – Montague Road, Warwick

The Committee supported the recommendations in the report.

22. 2018/19 Annual Treasury Management Report

The Committee received a report from Finance which informed the Committee of the Council's activities and the actual prudential and treasury indicators for 2018/19.

This report was to ensure that the Council met the requirements of the Local Government Act 2003 the CIPFA Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

The regulatory environment placed responsibility on Members for the review and scrutiny of treasury management policy and activities. This report was, therefore, important in that respect, as it provided details of the outturn position for treasury activities and highlighted compliance with the Council's policies previously approved by Members.

Consideration of the Council's Treasury Management activities was within the remit of the Finance and Audit Scrutiny Committee on behalf of the Council, hence, it was appropriate to report the Council's annual performance direct to this Committee.

The report followed the format used in the Treasury Management Strategy Plan presented to the Executive on 7 February 2018 and comments, where appropriate, on the Council's actual performance against what was forecast in the Strategy Plan as well as, in certain instances, latest forecasts. The Council was also required to comment on its performance against its Annual Investment Strategy for the year.

In response to questions from the Committee, the Council's Principal Accountant explained that at present, the Council did not have an ethical investment policy but this was being developed with the new Portfolio Holder with a view to it being developed further with Members at the Treasury Management seminar for Councillors in November.

The Principal Accountant also agreed to investigate and inform the Committee of any current investments within the fossil fuels industry.

Resolved the contents of the report in respect of this Council's 2018/19 Treasury Management activities, be noted.

23. Treasury Management Activity Report for the period 1 October 2018 to 31 March 2019

The Committee received a report from Finance that detailed the Council's Treasury Management performance for the period 1 October 2018 to 31 March 2019.

The Council's 2018/19 Treasury Management Strategy and Treasury Management Practices (TMP's) required the performance of the Treasury Management Function to be reported to Members on a half yearly basis.

Resolved that the report be noted.

24. Anti-Fraud and Corruption Statement 2019-20

The Committee received a report from Finance which presented the Anti-Fraud and Corruption Statement for review and approval. The Statement provided a record of the Council's policies and objectives in regard to countering fraud and corruption and was set out as Appendix A to the report.

There were a number of ongoing actions that were being undertaken in order to prevent, deter and detect fraud and corruption, and these were set out in Appendix B to the report.

The Statement had been reviewed to ensure that it remained relevant given the way that the Council operated and it had been compared with a number of other strategies including those of the other Warwickshire councils. The Statement was broadly similar in content to the others examined and no changes were considered necessary as part of this review.

In response to a question from the Committee, the Head of Finance explained that Risk 5, within the Service Area Risk register, was so high because it covered benefit fraud as well, whereas this report only related to internal fraud matters.

Resolved that

- (1) the Anti-Fraud and Corruption Statement, as set out at Appendix 1 to the report, be approved; and
- (2) the ongoing actions to prevent, deter and detect fraud and corruption, be noted.

25. Executive Agenda (Non Confidential Items & Reports – Wednesday 10 July 2019)

The Committee considered the following items which would be discussed at the meeting of the Executive on Wednesday 10 July 2019.

Item 14 – Final Accounts 2018/19

The Committee received an addendum to the report that updated the table detailing the significant variations within the general fund so it included the percentage or variation.

The Committee noted the report.

Item 17 – Update on Action Plan following Review of Closure of Accounts

The Committee received a briefing from the Council auditors (Grant Thornton) regarding an emerging issue for the potential increase in pension liability for the Council, as the result of a national case regarding public sector pensions. There was to be a formal conversation with officers on the potential need for the 2018/19 Accounts to be amended to reflect this

before they were formally signed off by the Committee and Audit at the end of July.

The Committee took the opportunity to thank officers and Grant Thornton for their work completing the accounts on time.

(This was also contained on the agenda of the Committee as Item 9)

Item 11 – Service Area Plans for 2019/20 & Fit For the Future Change Programme Update

The Committee supported the recommendations in the report.

26. Public and 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 paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

27. Executive Agenda (Confidential Items & Reports – Wednesday 10 July 2019)

The Committee considered the following item which would be discussed at the meeting of the Executive on Wednesday 10 July 2019.

Item 21 - Compulsory Purchase Order – Land at Warwick Road

The Committee supported the recommendations in the report.

28. Executive Agenda (Non Confidential Items & Reports – Wednesday 10 July 2019)

The Committee considered the following items which would be discussed at the meeting of the Executive on Wednesday 10 July 2019.

Item 13 – New contract terms for Internal Health and Safety IT system – AssessNet

The Committee supported the recommendations in the report.

Item 15 - Recording & Broadcasting of Council Meetings

The Committee supported the recommendations in the report.

29. Review of the Work Programme, Forward Plan Comments from the Executive

The Committee received a report from Democratic Services which set out its current work programme and the Forward Plan.

The Committee considered the need for previously requested reports in respect of the new HQ and Covent Garden car park. The Committee agreed

there was a need for these reports to come forward but as a priority, there should be a briefing for all Councillors on the project to date. The report could then focus on the on the impact of the Council's Medium Term Financial Strategy of delaying a decision on the new HQ. In respect of Covent Garden Car Park, the report should focus on the risk of it having to be closed, based on current condition, at short notice and the impact of this on Medium Term Financial Strategy.

In respect of the Pump Room Gardens project, the report should focus on the Governance (contract management), the costs of delay including additional costs of the works. Members also asked to see the lessons learned including an explanation for any future projects to mitigate the issues that occurred.

Resolved that the work programme be approved subject to the following amendments:

- (1) Service Review of Finance be moved to the 30 July 2019 meeting; and
- (2) HQ & Covent Garden report and Pump Room Garden reports, both defined above, be brought to the 26 September 2019 meeting.

30. Minutes

- (a) The minutes of the meeting held on 20 May and 29 May 2019 were taken as read and signed by the Chairman as a correct record; and
- (b) The minutes of the Joint Finance & Audit and Overview & Scrutiny Committee meeting held on 6 June 2019 were taken as read and signed by the Chairman as a correct record.

31. 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 paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

32. Confidential Minutes

The Confidential minutes of the Joint Finance & Audit and Overview & Scrutiny Committee meeting held on 6 June 2019 were taken as read and signed by the Chairman as a correct record.

(The meeting ended at 8.43 pm)

Signature redacted

CHAIRMAN
30 July 2019