

## Finance & Audit Scrutiny Committee

### Wednesday 21 April 2021

A meeting of the above Committee will be held remotely on Wednesday 21 April 2021, at 6.00pm and available for the public to watch via the Warwick District Council [YouTube channel](#).

Councillor Nicholls (Chair)

Councillor L Bartlett  
Councillor J Dearing  
Councillor R Dickson  
Councillor J Grey  
Councillor T Heath

Councillor G Illingworth  
Councillor M Luckhurst  
Councillor S Syson  
Councillor J Tracey  
Councillor T Wright

### Agenda

#### Part A – General

#### 1. Apologies & Substitutes

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

#### 2. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be disclosed during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

If Members are unsure about whether or not they have an interest, or about its nature, they are strongly advised to seek advice from officers prior to the meeting.

#### 3. Minutes

To confirm the minutes of the meeting held on 17 March 2021

**(Pages 1 to 5)**

## **Part C – Scrutiny Items**

### **4. Review of the Work Programme and Forward Plan & Comments from the Executive**

To consider a report from Civic & Committee Services

**(Pages 1 to 12)**

### **5. End of Term Report**

To consider a report from Civic & Committee Services

**(Pages 1 to 4 & Appendix 1)**

### **6. Executive Agenda (Non-Confidential Items and Reports) – Thursday 22 April 2021**

To consider the non-confidential items on the Executive agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting.

**(Circulated Separately)**

### **7. Public & Press**

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

### **8. Executive Agenda (Confidential Items and Reports) – Thursday 22 April 2021**

To consider the confidential items on the Executive agenda which fall within the remit of this Committee. The only items to be considered are those which Committee Services have received notice of by 9.00am on the day of the meeting.

**(Circulated separately)**

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456114

# Finance and Audit Scrutiny Committee

Minutes of the remote meeting held on Wednesday 17 March 2021 at 6.00pm, which was broadcast live via the Council's YouTube Channel.

**Present:** Councillor Nicholls (Chair); Councillors: Bartlett, J Dearing, R Dickson, Grey, Heath, Illingworth, Luckhurst, Syson, Tracey and Wright.

**Also present:** Councillors Cooke (Portfolio Holder for Development Services), Day (Leader of the Council), and Hales (Portfolio Holder for Finance & Business).

## 78. **Apologies and Substitutes**

- (a) there were no apologies for absence; and
- (b) there were no substitutions.

## 79. **Declarations of Interest**

There were no declarations of interest made.

## 80. **Minutes**

The minutes of the meeting held on 10 February 2021 were taken as read and signed by the Chair as a correct record.

## 81. **Internal Audit Quarter 3 2020/21 Progress Report**

The Committee considered a report from Finance which advised on the progress in achieving the Internal Audit Plan 2020/21, summarised the audit work completed in the third quarter and provided assurance that action had been taken by managers in respect of the issues raised by Internal Audit.

At the start of each year, Members approved the Audit Plan, setting out the audit assignments to be undertaken. This year's Audit Plan had to be revised due to the impact of the Coronavirus Pandemic. A revised Audit Plan was approved by Members on 30 September 2020. A detailed analysis of the progress in completing the Audit Plan for 2020/21 was set out as Appendix 2 to the report.

Three audits were completed in the third quarter of 2020/21. The Internal Audit reports arising from them were available for viewing on the online agenda for the meeting.

The action plans accompanying these reports were set out as Appendix 3 to the report. This detailed the recommendations arising together with the management responses, including target implementation dates. Responses had been received from managers to all recommendations that were made.

The state of implementation of low and medium risk recommendations made in the fourth quarter of 2019/20 was set out in Appendix 4 to the

report. There were no high-risk recommendations issued in the second quarter of 2020/21.

In terms of determining the state of implementation of recommendations, at the time of writing the report, responses from managers had been received in all cases except one: An update on the state of implementation of the recommendation was outstanding from Finance in respect of the VAT Accounting audit of 5 March. An addendum circulated prior to the meeting advised Members that a late response had been received from the Audit & Risk, which included an amendment to Appendix 4 to the report, page 27, third column – Current state of implementation per manager, to read: *The VAT number has been added to the footer of the Statement template for garage rents (as attached), from 9th March 2021. In terms of Building Control, I am awaiting clarification from the Project Manager - Financial Systems as to whether this will be resolved as part of the FMS project.*

Members were reminded that they could see any files produced by Internal Audit that might help to confirm the level of internal control of a service, function or activity that had been audited or that help to verify the performance of Internal Audit.

The Portfolio Holder thanked the Audit & Risk Manager and his team for their teamwork and assistance, which meant that businesses and residents had benefitted from the grants.

The Chair felt that the speed of response and the ease in which the Council gave money to businesses and individuals to support them, had been much appreciated, and expressed his gratitude to the Audit & Risk Manager his team for their work in delivering the payments to businesses .

**Resolved** that

- (1) the report and appendices, be noted; and
- (2) a follow up report be added on the Committee's Work Programme, looking into the progress made by Just-Inspire in terms of their recovery.

**82. Executive Agenda (Non-Confidential Items and Reports) – Thursday 18 March 2021**

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on 18 March 2021.

Item 3 – Community Infrastructure Levy (CIL) Projects List for 2021/22

The Finance & Audit Scrutiny Committee noted the report.

In response to a question from Councillor Dickson, the Chair of the Finance Programme Advisory Board (PAB) was happy to review the Community Infrastructure (CIL) Projects List as part of the PAB's remit moving forward.

Item 8 – Review of Significant Business Risk Register

The Finance & Audit Scrutiny Committee noted the report.

(This item was also on the Committee's agenda because scrutinising it formed part of the Committee's remit.)

**83. Review of Internal Audit Service in Compliance with Public Sector Internal Audit Standards**

The Committee considered a report from Finance which contained the results of a review of the Council's Internal Audit Service, required under the Public Sector Internal Audit Standards.

The Public Sector Internal Audit Standards (PSIAS) required that "*The chief audit executive must develop and maintain a quality assurance and improvement programme that covers all aspects of the internal audit activity*" and that "*The "quality assurance and improvement programme must include both internal and external assessments."*

As well as internal assessments of the performance of the internal audit function that included ongoing monitoring of the activity and periodic self-assessments, external assessments needed to be conducted at least once every five years by a qualified, independent assessor from outside the organisation.

The PSIAS stated that the "*External assessments can be in the form of a full external assessment, or a self-assessment with independent external validation.*" The Council had opted for a full external assessment to provide greater objectivity and potential for learning i.e. greater value from the exercise.

The PSIAS required that the results of external assessments be communicated to 'the board'. Consequently, the assessor's report was set out as Appendix 1 to the report.

The assessor's report included an action plan with the assessor's recommendations on improvements and Internal Audit's responses to them, detailing how the recommendations would be addressed. In compliance with the PSIAS, Members would be updated on progress.

The PSIAS also stated that "*The results of the quality and assurance programme and progress against any improvement plans must be reported in the annual report.*" The improvement plan that formed part of the external assessor's report would therefore be included within the Internal Audit Annual Report that would be issued to Finance & Audit Scrutiny Committee on 26 May 2021.

**Resolved** that the report, be noted.

**84. Internal Audit Strategic Plan 2021-24 and Internal Audit Charter 2021/22**

The Committee considered a report from Finance which presented the Internal Audit Strategic Plan 2021/22 – 2023/24 and the Internal Audit Charter 2021/22 for consideration and approval.

The Internal Audit Strategic Plan 2021/22 to 2023/24, comprising the planned reviews over this period, was set out as Appendix 1 to the report.

The Audit Plan was organised as follows:

- risk-based coverage;
- coverage for core activities that traditionally required Internal Audit input for assurance on financial probity and regularity; and
- other internal audit coverage.

The audits set out in the first year of the Plan were carried out throughout the year with timings (start dates) agreed with managers on individual audits, usually at the beginning of the year.

The Internal Audit Charter for delivering this assurance was also included and was set out as Appendix 2 to the report. The previous year's Charter had been updated to reflect findings and recommendations arising from the Public Sector Internal Audit Standards review that was conducted recently. The results of that review were reported in, Minute Number 83 – Review of Internal Audit Service in Compliance with Public Sector Internal Audit Standards, of this meeting.

An earlier draft of the Strategic Plan was issued to CMT and Service Area Managers for their views.

Views were sought on a number of aspects, including:

- the amounts of time allocated to the various proposed assignments;
- whether anything important had been missed;
- whether any planned assignments should be excluded (because, for example, the function was considered very low risk or because the function was no longer performed); and
- whether any risk profiles had changed significantly in the last 12 months.

The Chair informed Members that he had attended a meeting with the Audit & Risk Manager, and was concerned about the approach the Council was taking in relation to strategy risk and audit. Due to the Covid-19 pandemic, all service areas were under a huge workload pressure and he felt concerned that nowhere in the Significant Business Risk Register were there key strategic risks. The Chief Executive had indicated to the Chair that CMT would review the points raised.

The Portfolio Holder for Finance and Business agreed to arrange a meeting should be arranged in the next three months with himself, the Chair, the Head of Finance, the Chief Executive, and the Audit & Risk Manager to look at the strategy moving forward.

**Resolved** that the report be noted.

#### 85. **Annual Governance Statement 2019/20 Action Plan Review**

The Committee considered a report from Finance which asked Members to review the progress being made in addressing the "Significant Governance Issues" facing the Council set out in its Annual Governance Statement 2019/20. Appendix 1 to the report set out the progress in addressing the Significant Governance Issues.

The governance issues facing the Council had been identified from production of the statutory Annual Governance Statement and were

summarised in the Action Plan element of the Annual Governance Statement for 2019/20.

Progress was reported by the officers leading on them and had been endorsed by the Senior Management Team at a recent meeting.

**Resolved** that the report be noted.

86. **Review of Work Programme and Forward Plan & Comments from the Executive**

The Committee considered a report from Democratic Services that informed the Committee of its work programme for 2020/2021 Municipal Year (Appendix 1) and of the current [Forward Plan](#).

The Chair asked the Committee to reflect the role of scrutiny in the plans for joint work with Stratford leading to a possible merger. He outlined some broad themes with a view to shaping further plans at the meeting of the Committee in April. The five themes that identified to date were:

- Impact on services to residents;
- Democratic representation;
- Impact on strategic priorities (in particular the CEAP);
- Finance and Council Tax; and
- Communications and consultation with residents.

**Resolved** that the report be noted.

(The meeting ended at 7.42pm)

CHAIR

21 April 2021



Finance and Audit Scrutiny Committee  
21 April 2021

**Title:** Review of Work Programme and Forward Plan & Comments from the Executive

**Lead Officer:** Graham Leach

(T. 01926 456114 or E. [committee@warwickdc.gov.uk](mailto:committee@warwickdc.gov.uk))

**Portfolio Holder:** Not Applicable

**Public report**

**Wards of the District directly affected:** N/A

**Accessibility checked:** yes

### 1. Summary

- 1.1. This report informs the Committee of its work programme for 2020/2021 Municipal Year (Appendix 1) and of the current [Forward Plan](#).

### 2. Recommendation

- 2.1. The Committee to consider the work programme attached as Appendix 1 to the report and make any changes as required.
- 2.2. The Committee to identify any Executive items on the Forward Plan which it wishes to have an input before the Executive makes its decision;
- 2.3. The Committee to consider its workload for the coming months, specifically how it can accommodate the work within their scheduled meetings;
- 2.4. The Committee recommend to Council the addition of the protocol set out at Appendix 3, for embedding within Scrutiny Procedure Rules and asks Council to amend Scrutiny Procedure rules so that the deadline to request Executive items to be considered by Scrutiny is 9.00am on the morning after Group meetings.
- 2.5. The Committee to note the progress on the Audit Plan as set out at Appendix 4

### 3. Reasons for the Recommendation

- 3.1. The work programme as attached at Appendix 1 to the report should be updated at each meeting to accurately reflect the workload of the Committee.
- 3.2. Two of the five main roles of overview and scrutiny in local government are to undertake pre-decision scrutiny of Executive decisions and to feed into policy development.

- 3.3. If the Committee has an interest in a future decision to be made by the Executive, or policy to be implemented, it is within the Committee's remit to feed into the process.
- 3.4. The Forward Plan is actually the future work programme for the Executive. If a non-executive Member highlighted a decision(s) which is to be taken by the Executive which they would like to be involved in, that Member(s) could then provide useful background to the Committee when the report is submitted to the Executive and they are passing comment on it.
- 3.5. The proposed addition to Scrutiny Procedure rules is brought forward by Councillors Milton and Nicholls following several months of informal testing which has worked well.
- 3.6. At its meeting in September, the Committee asked for an update at each meeting on the revised Audit Plan so they are aware of progress. This has been appended to this report for information.

### **4. Background**

- 4.1. The five main roles of overview and scrutiny in local government are: holding to account; performance management; policy review; policy development; and external scrutiny.
- 4.2. The pre-decision scrutiny of Executive decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Executive decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 4.3. The Council's Forward Plan is published on a monthly basis and sets out the key decisions to be taken by the Council in the next twelve months. The Council only has a statutory duty to publish key decisions to be taken in the next four months. However, the Forward Plan was expanded to a twelve-month period to give a clearer picture of how and when the Council will be making important decisions. A key decision is a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.
- 4.4. The Forward Plan also identifies non-key decisions to be made by the Council in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions. There may also be policies identified on the Forward Plan, either as key or non-key decisions, which the Committee could pre-scrutinise and have an impact upon how these are formulated.
- 4.5. The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan.
- 4.6. At each meeting, the Committee will consider their work programme and make amendments where necessary, and also make comments on specific Executive items, where notice has been given by 9am on the day of the Finance & Audit Scrutiny Committee meeting. The Committee will also receive a report detailing the response from the Executive, on the comments the Committee made on the Executive agenda in the previous cycle.

- 4.7. The Forward Plan is considered at each meeting and allows the Committee to look at future items and become involved in those Executive decisions to be taken, if members so wish.
- 4.8. As part of the scrutiny process, the Committee is not considering the whole of the Executive agenda. On the day of publication of the Executive agenda, all Councillors are sent an e-mail asking them to contact Committee Services, by 9.00am on the day of the Committee meeting to advise which Executive items they would like the Committee to consider.
- 4.9. If the Committee made a comment on an Executive report, a response will be provided to the Committee at its next meeting (Appendix 2). In reviewing these responses, the Committee can identify any issues for which it would like a progress report. A future report, for example, on how the decision has been implemented, would then be submitted to the Committee at an agreed date which would then be incorporated within the Work Programme.

## **Finance and Audit Scrutiny Committee WORK PROGRAMME**

**26 May 2021**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
Annual Governance Statement	Audit	Written report followed by Q&A	Richard Barr and Councillor day
Internal Audit Annual Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
IA Quarter 4 Progress Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
Annual Governance Statement Quarter 4 Action Plan Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Day
Update on Health & Community Protection and Finance Systems Replacements	Scrutiny	Written report followed by Q&A This procurement and project management assurance	Keith Eales Councillors Hales and Falp

**7 July 2021**

**Appendix 1**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
Risk Register, Contracts and Budgets Review - Finance	Audit	Written report followed by Q&A	Mike Snow and Councillor Day
Annual Fraud and Corruption Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
Anti Fraud and Corruption Strategy	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
Final accounts 2020/2021	Scrutiny	Written report followed by Q&A	Andrew Rollins and Councillor Hales
Review of Significant Business Risk Register	Scrutiny	Written report followed by Q&A	Richard Barr and Councillor Day

**28 July 2021**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor

**11 August 2021**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
Treasury Management Annual Report & TM Half Year Review (October to March 2021)	Audit	Written report followed by Q&A	Richard Wilson and Councillor Hales
Risk Management Annual Report	Scrutiny	Written report followed by Q&A	Richard Barr and Councillor Day
Budget Review Quarter 1	Scrutiny	Written report followed by Q&A	Tony Sidhu and Councillor Day

**22 September 2021**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
Procurement Strategy Half Year Update	Scrutiny	Written report followed by Q&A	Becky Reading and Councillor Hales
External Audit Findings Report	Audit	Written report followed by Q&A	Mike Snow and Councillor Hales
Statement of Accounts 2020/2021	Audit	Written report followed by Q&A	Andrew Rollins and Councillor Hales
IA Quarter 1 Progress Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
Annual Governance Statement Quarter 1 Action Plan Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Day

**Appendix 1****3 November 2021**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
National Fraud Initiative Update	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
Corporate Fraud Update	Audit	Written report followed by Q&A	Andrea Wyatt and Councillor Hales
Treasury Management Half Year Review	Audit	Written report followed by Q&A	Richard Wilson and Councillor Hales
Use of Parent Companies Update Report	Audit	Written report followed by Q&A	Mike Snow and Councillor Hales
Review of Significant Risk Register	Scrutiny	Written report followed by Q&A	Richard Barr and Councillor Day

**15 December 2021**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor

**9 February 2022**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor

**Appendix 1**

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**9 March 2022**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
IA Quarter 3 Progress Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
AGS Quarter 3 Action Plan Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
IA Strategic Plan (2022/22 3to 2024/25 plan)	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales
External Review of Internal Audit Report	Audit	Written report followed by Q&A	Richard Barr and Councillor Hales

**13 April 2022**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
Procurement Full Year Review	Audit	Written report followed by Q&A	Becky Reading and Councillor Hales



**Appendix 1****Date to be confirmed**

Title	Audit Item or Scrutiny Item	Format	Lead Officer/ Councillor
A follow up report looking into the progress made by Just-Inspire in terms of their recovery	Audit	Written report followed by Q&A	Rose Winship/David Guilding

**Response from the meeting of the Executive on the  
F&A Committee's Comments – 17 March 2021**

**3. Community Infrastructure Levy (CIL) Projects List for 2021/22**

The Committee considered this report due to the significant funding that was being considered and the need for governance in the accounting and scrutiny of those projects.

The Finance & Audit Committee supported the report.

Executive Response:

Councillor Cooke felt that it was a good idea that in addition to the Development Programme Advisory Board (PAB), matters of the CIL list should also go to the Finance PAB, which was suggested at the 17 March Finance & Audit Scrutiny Committee meeting. He recognised that a lot of good work had gone into producing the proposals.

The recommendations in the report were approved.

**8. Review of Significant Business Risk Register**

The Committee had considered this report as part of their standard business in ensuring the Executive were held to account and had considered the significant risks posed to the Council at the time.

The Finance & Audit Scrutiny Committee noted the report.

Executive Response:

Councillor Hales, the Portfolio Holder for Finance, stated that he had a meeting with the Strategic Risk Manager about the arrows on the risk register, which hadn't moved on the risk register because there had been no change in the risk levels, and these arrows would appear in future reports. At the Finance & Audit Scrutiny Committee meeting on 17 March, it was agreed that he would meet with Chair of Finance & Audit Scrutiny Committee, Head of Finance and the Chief Executive in June to look at the strategy behind the risk. It was important to make sure the Council recognised the different challenges coming forward, and that the Council set a strategy that officers and Councillors could work through. Councillor Day felt that in the light of nearly 12 months since the first national lockdown, one of the best ways the Council had managed risks was the genuine shared working across political groups and extra efforts and goodwill officers had shown. In the most challenging of financial years, the Council had still managed to find money for the Climate Action Fund despite being prevented from holding the referendum as hoped. He welcomed Councillor Hales' work with officers, and the Chair of the Finance & Audit Scrutiny Committee in making sure the Council remained sharp and focused on the strategic risks.

The recommendations in the report were approved.

## **Appendix 3**

### **Criteria for call in of Executive Reports to Scrutiny Committees**

This process is about the pre-scrutiny of reports to be considered by the Executive and not the Call in procedure if members are dissatisfied with the Executive Decision (under Council Procedure Rule 21).

1. We encourage all members to ask questions about issues that either affect residents or in which they have an interest. Scrutiny is not the only way to do this and members should feel free to raise questions with portfolio holders at any time.
2. Scrutiny committees will consider issues that have due significance with reference to the following criteria:
  - a) The number of residents impacted and the significance of that impact.
  - b) The amount of spend involved.
  - c) It concerns a strategic priority of the Council or key project.
3. Scrutiny committees should only consider items where there is a tangible reason to do so. This should broadly fit into one of the following criteria:
  - a) Where there are concerns about the basis for a recommendation e.g. the data that had led to the recommendation is deficient, or new data or information deemed material to forming a view on the item has been provided too late for a written question and answer to be circulated before the meeting, or members are aware of contradictory evidence.
  - b) There is an alternative policy, development or direction which needs to be explored.
4. Reasons for any request for scrutiny to consider an item should be clearly stated based on the approach outlined above.
5. Where the Chair of the Scrutiny Committee considers the criteria is not met, they can either ask for clarification from the Councillor and, if they remain unsatisfied, decline the request for the item to be considered.

**To: Finance and Audit Scrutiny Committee – 21 April 2021**

**From: Audit and Risk Manager**

**Subject: Interim Internal Audit Progress Report**

### **Introduction**

At the Finance and Audit Committee meeting of 30 September 2020, Members, concerned for the impact of the Coronavirus Pandemic on Internal Audit's ability to complete the Audit Plan, asked for interim updates on progress.

It was agreed that these updates would mirror an oral presentation in terms of style, format and content.

### **Latest Update**

I am delighted to report that Internal Audit has completed the Audit Plan. This includes the IT audits assigned to our IT audit contractor, TIAA - among those audits a review of Cyber Security. In fact, for the first time that I can recall, the team has 'over-completed' the Plan, adding another audit - a specific review of 'Public Health Funerals', of all topics - when one member of the team found themselves ahead of schedule.

The achievement in this extremely challenging year is testament to the dedication of the team and the contractor and proof of how hard they have worked. There is no doubt that productivity is impacted by working from home, especially for Internal Audit's line of work. The team has had to work extra hard to try to compensate for less efficient working arrangements and less 'organic' working relationships (e.g. other team members and auditees not being readily available for quick but important consultations).

Credit must also go to the staff whose functions were audited for enabling the audits to be undertaken. The working conditions have not been easy for colleagues either meaning that, in many cases, audits have been even less welcome than usual. Persistence from the audit team and co-operation from staff – and professionalism from both - has enabled any barriers to be overcome.

The usual detailed quarterly report on progress confirming the above headline points will be next provided to the Committee on 26 May.

Richard Barr  
Audit and Risk Manager  
April 2021.

Finance & Audit Scrutiny Committee  
21 April 2021

**Title: End of Term Report**

**Lead Officer: Lesley Dury, Principal Committee Services Officer**

**Portfolio Holder: Not applicable**

**Public report / ~~Confidential report~~**

**Wards of the District directly affected: Not applicable**

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: No

Equality Impact Assessment Undertaken: Not required because this report gives a synopsis of work undertaken by O&S Committee and contains no new material.

Consultation & Community Engagement: Chair of O&S, Councillor Milton and Councillor Day, Leader of the Council

Final Decision: No, the report will go to Council for noting

Accessibility checked: Yes

**Officer/Councillor Approval**

<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	31.3.21	Andrew Jones
Head of Service		
CMT	31.3.21	Andrew Jones
Section 151 Officer		
Monitoring Officer	31.3.21	Andrew Jones
Finance		
Portfolio Holder(s)		

### 1. Summary

- 1.1 This report is the annual end of term report to the Council on the work the Finance & Audit Scrutiny Committee has undertaken during the municipal year 2020/21. The Committee met 10 times during the year, although its first meeting was just to appoint the Chair of the Committee. It also met jointly with the Overview & Scrutiny Committee twice in July 2020.

### 2. Recommendation

- 2.1 It be recommended to Council that the list of matters considered by the Finance & Audit Scrutiny Committee during the municipal year 2020/21, as detailed in Appendix A to the report, be noted.
- 2.2 Prior to submission to Council, the report will be updated to include the meetings of the Committee and any Executive responses that took place in April 2021.

### 3. Reasons for the Recommendation

- 3.1 Under Article 6 of the Council's Constitution Overview & Scrutiny Committees and Policy Committees are required to provide an end of term report to the Council on work they have undertaken during the year.
- 3.2 The matters considered during the year are attached at Appendix A to the report. This will be updated to include matters considered at this meeting, before it is submitted to Council.
- 3.3 A full account of the work undertaken by the Finance & Audit Scrutiny Committee for the municipal year 2020/21 will be submitted to Council.

### 4. Policy Framework

#### 4.1. **Fit for the Future (FFF)**

- 4.1.1. 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.
- 4.1.2. The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#).

#### 4.2. **FFF Strands**

##### 4.2.1 **External impacts of proposal(s)**

**People - Health, Homes, Communities** - Improved health for all; Housing needs for all met; Impressive cultural and sports activities; Cohesive and active communities.

**Services - Green, Clean, Safe** - Becoming a net-zero carbon organisation by 2025; Total carbon emissions within Warwick District are as close to zero

as possible by 2030; Area has well looked after public spaces; All communities have access to decent open space; Improved air quality; Low levels of crime and ASB.

**Money- Infrastructure, Enterprise, Employment** - Dynamic and diverse local economy; Vibrant town centres; Improved performance/productivity of local economy; Increased employment and income levels.

### 4.2.2. Internal impacts of the proposal(s)

**People - Effective Staff** –All staff are properly trained; All staff have the appropriate tools; All staff are engaged, empowered and supported and that the right people are in the right job with the right skills and right behaviours.

**Services - Maintain or Improve Services** - Focusing on our customers' needs; Continuously improve our processes and Increase the digital provision of services.

**Money - Firm Financial Footing over the Longer Term** - Better return/use of our assets; Full Cost accounting; Continued cost management; Maximise income earning opportunities and Seek best value for money.

### 4.3. Supporting Strategies

- 4.3.1. Each strand of the FFF Strategy has several supporting strategies; however, this report is for governance purposes and allows an overview of the previous 12 months' work.
- 4.3.2. The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.
- 4.3.3. The report is made annually as a matter of good practice and Council policy.

### 4.4. Changes to Existing Policies

- 4.4.1. There are no changes to existing policies.

### 4.5. Impact Assessments

- 4.5.1. There are no new policy changes in respect of Equalities.

## 5. Budgetary Framework

- 5.1. The recommendations in the report do not affect the Council's budgetary framework

## 6. Risks

- 6.1. There are no risks associated with this report which is purely provided as a matter of good practice and Council policy concerning Scrutiny committees.

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

- 7.1. There are no alternative options because this report complies with the requirements of Article 6 of the Council's Constitution.



**Finance & Audit Scrutiny Committee  
End of Term Report 2020/21****Chair's Introduction**

It has been a privilege to have been the Chair of the Finance and Audit Scrutiny Committee for a second year. Scrutiny is a statutory responsibility. At its best, it ensures that all Councillors and the public can be reassured by the effectiveness of the constructive challenge and questioning of policies brought forward by the Executive, that business cases are sound, and that value for money is at the forefront of decision-making. The Committee is therefore responsible for holding the Executive to account, and for examining the risks and resources in the delivery of services and amenities to residents in the District. Finance and Audit Scrutiny Committee also has the responsibility of providing assurance on the processes and outcomes of internal audit and the identification of corporate business risks and their management. Internal audit not only tests assurance but also offers a window on the often invisible but vital work of many Council departments. Taken as a whole, the work of the Committee provides a system-wide map, through the lens of finance and risk, of how well the Council is performing. It also approves the annual accounts and works closely with the Portfolio Holder for Finance, the finance team, and the external auditors, Grant Thornton, to that end.

A welcome characteristic of the work of the Committee this past year has been the cooperative approach that it has adopted with the senior officers and the Executive in discharging its responsibilities. The Committee is determinedly apolitical and also determinedly independent in coming to its views. It is to be welcomed that those views have been taken seriously by the Executive and have led to the improvement of policies and decisions it has wished to adopt. At its heart, the Committee has the intention of securing the best outcome for the Council as a whole.

The Committee's work and that of the Council more widely has been dominated by responding to the pandemic, and planning recovery for communities, individuals, and businesses from it. We have met remotely via digital platforms but there has been no loss of quality in the scrutiny applied to the reports coming to our attention. Residents have been able to view meetings through a video channel live or by recording. The officers have also responded magnificently to the challenges that this last year has brought. It is a mark of particular credit, for example, that the internal audit programme was completed to its usual high quality despite the obvious difficulties that the team faced. We also congratulated the finance team for being able to ensure that the end of year financial statements were audited promptly within the government's extended timetable. No less rigour was applied by our external auditors and no significant weaknesses were reported.

The Committee worked closely with our colleagues on the Overview and Scrutiny Committee on the review of governance arrangements in the Council, on proposals for new local government structures in Warwickshire, and on a step-back review of the Council's response to the pandemic and what lessons could be learnt from that. We also welcomed the close working on how the two Committees could take a more strategic and thematic view of their duties in order to provide the most effective oversight in the interests of the District's residents.

The financial position of the Council was put under considerable strain by the pandemic. The Committee scrutinised quarterly budget reports and the development

of proposals for its budget for the 21/22 financial year with particular care. Notwithstanding the need to pay particular attention to the finances and risks of managing the immediate response to the pandemic, it is of great credit to the Portfolio Holders and staff in the Council that significant new initiatives also come to us for consideration, including the formation of a new local housing company, arrangements for the new waste and recycling contract for 2022 and plans for key elements of the Creative Quarter.

I wish to thank the members of the Committee, the officers and all Portfolio Holders for the open and constructive engagement they have brought to our work. And to express my and the Committee's gratitude to Grant Thornton, our external auditors, for their essential work and for bringing a wider external perspective to the District's financial audits.

Councillor Jonathan Nicholls

## **Items considered by the Finance & Audit Scrutiny Committee 2020/21**

### **Audit Items**

Internal Audit Quarter 3 2019/20 Progress Report  
Internal Audit Quarter 4 2019/20 Progress Report  
Internal Audit Annual Report 2019/20  
Annual Governance Statement 2019/20  
Internal Audit Strategic Plan 2020/21 – 2022/23 and Internal Audit Charter 2020  
2019/20 Audit of Accounts  
2019/20 Audit of Accounts – Update Report  
Audit Progress Report  
TM Half Year Review (October to March 2020)  
Treasury Management Annual report  
Annual Governance Statement 2019/20 Action Plan: Review of Progress  
Internal Audit Quarter 1 2020/21 Progress Report  
Revised Internal Audit Plan 2020/21  
Anti-Fraud and Corruption Statement 2020/21  
Corporate Fraud Investigation Performance Report 2019/20  
Statement of Accounts and Audit Findings Report  
Treasury Management Activity Report for the period 1 April 2020 to 30 September 2020  
Managing Securities in Council Contracts Update Report  
Internal Audit Quarter 2 2020/21 Progress Report  
Statement of Accounts and update from External Audit  
Annual Audit Letter 2019/20  
Internal Audit Quarter 3 2020/21 Progress Report  
Internal Audit Strategic Plan 2021-24 and Internal Audit Charter 2021/22  
Review of Internal Audit Service in Compliance with Public Sector Internal Audit Standards  
Annual Governance Statement 2019/20 Action Plan Review

### **Scrutiny Items**

The items covered within the scrutiny aspect of the agenda were all matters contained within the Executive agenda. The record of these items are listed in the section below.

### **Routine Items**

### **Executive Items Considered by the Committee**

*(This section details the comments and recommendations made by the Finance & Audit Scrutiny Committee to the Executive on reports being considered by the Executive. The decisions made at the Executive meeting have been detailed if the decision was different to the recommendations in the report.)*

## **7 July Joint meeting of the Committees**

### **3. Review of Local Government Structure in Warwickshire**

The Committees supported the recommendations in the report.

They highlighted the Council needed to keep focused on the overall strategic advantages of working with Stratford and from possible local government reorganisation. Therefore, it should be mindful, on this twin track approach, that the project on working with Stratford does not pre-determine the possible shape of local government reorganisation or preclude possible working with other boroughs and districts where that would be beneficial for residents and provide value for money.

Response from the Executive:

The recommendations in the report were approved, subject to the addition of the following two recommendations:

2.4 That £35,000 is provided from the Service Transformation Reserve to fund the Council's contribution to the joint study and for additional support in respect of communications.

2.5 That the Cabinet of the County Council is asked to reconsider its informal decision to commission a separate business case for a single unitary council and instead to participate in the joint study with the other Borough and District Councils to look at all options and to listen to the public's views

### **4. Adoption of the Affordable Housing and Developer Contributions SPDs**

The Committees were satisfied that the questions posed ahead of the meeting had been satisfactorily answered.

Response from the Executive:

The recommendations in the report were approved.

### **6. Final Accounts 2019/20**

The Committees thanked the Head of Finance and his Team for the work on producing the draft financial statements for 2019/20 so promptly.

Response from the Executive:

The recommendations in the report were approved.

**7. Warwick District Leisure Development Programme – Kenilworth Facilities**

The Committees noted the recommendations in the report and requested that additional work be undertaken on; vehicle and active transport access to the leisure centres; and on their carbon neutrality.

(Councillors Redford and Grey requested that their support for the recommendations in the report be noted and Councillor Milton requested his objection to the recommendations in the report be noted.)

Response from the Executive:

The recommendations in the report were approved.

**9. Community Stadium and Associated Developments**

The Committees supported the recommendations in the report.

Response from the Executive:

The recommendations in the report were approved, subject to the following amendment to recommendation 2.2, to read that "The Executive recommends to Council approval of a sum of up to £345,460

**Joint meeting 29 July  
Governance Review of Warwick District Council**

The Committees supported the recommendations in the report but wanted to draw a number of points to the attention of the Executive that needed to be carefully monitored.

The Committees had concerns about the large remit of each PAB and how they would cope looking at such large areas of work. This was a specific concern that the listed areas were just projects and did not cover other work the PABs would look at, such as refinements to or creating new policies.

The Committees shared concerns that with the change to scrutiny of service provision, the development of and quality of service provision might not be adequately picked up by the scrutiny of RAG and KPIs that has been developed and which will be adopted.

They noted the dates in 2.2 and 2.7 for review should be combined so they were the same, and that the remit of the review should be produced in agreement with both Scrutiny Chairs.

The Committees appreciated clarification that the presumption would be for briefings to remain in the evening, in line with the protocol for arranging meetings with Councillors, but accepted this may mean some need to be held at the same time as other meetings.

The Committees made a general comment on the resources for Civic & Committee Services, that this proposal should be work neutral and therefore this element needed to be closely monitored and feedback on as part of the 6, 12 and 18-month review.

In addition, some members of the Committee raised concerns about:

- the loss of Shadow Portfolio Holder meetings and highlighted this could lead to more work for officers through more frequent questions/contacts from Councillors; and
- for providing an SRA for the role of Chairman of a PAB.

Response from the Executive:

The Executive thanked all Councillors who had participated in the series of Governance Review meetings that had taken place earlier in the year. It was explained that the approach was an attempt to emulate the successful shared working that was done previously by the Climate Emergency Group and the way that had brought forward talent from across the Council, often in a non-political way to deliver an important programme.

It was stated that the constitution of each PAB would begin with the selection of the Chair for each Board, and the Leader of the Council would meet with Group Leaders and bring back recommendations to the Leadership Coordinating Group from all Groups across the Council to Chair each Board. Selections would then be made in the hope of giving opportunity for the individual to grow and offer expertise to each individual Board. All Members, excluding those on the Executive and Chairs of Committees, would be invited to nominate on a first come first served basis for which PAB they wished to join.

The Executive explained that the size of each PAB had been chosen to keep each Board manageable, maintain good dialogue and so that one PAB group was not disproportionately bigger than another in order to spread opportunity.

The Executive emphasised that they would be relying on the cooperative work done through the Leadership Coordinating Group, with Group Leaders and Members of the Executive in order to monitor the work done and make any necessary adjustments to the approach. The aim was to ensure Councillors could have a more meaningful and worthwhile experience, and grow skills and leadership qualities that would be valuable for themselves and for their community.

The recommendations in the report were approved, subject to the amendment to the following condition:

2.7 The Executive approves an independent assessment of these arrangements is undertaken in February 2022 and officers are asked to bring back an outline proposal for this, in consultation with the Chairs of Scrutiny, in December 2021 along with proposed funding arrangements.

## **19 August**

### **8. Quarter 1 Budget Report**

#### Finance & Audit Scrutiny Committee

Members noted that whilst the report was a snapshot in time and still work in progress, there has been a significant impact on the Council's budget, showing a considerable deficit which needs to be addressed. The underlying deficit issue prior to Covid 19 has been exacerbated by the loss of income due to Covid 19.

The Committee acknowledged that the Council has a legal requirement to set a balanced budget, which has to take priority. With that in mind, Members felt that there are difficult decisions and choices to be made, for example how to fulfil the Council's Climate Emergency Action Plan in the changed financial situation it now faces.

The Committee wishes to comment to the Executive about the desirability of including a wider group of Members when it comes to reviewing what the Council will do in terms of the proposed savings or alternatives and the impact they may have. The Committee agrees with the Portfolio Holder for Finance and Business that there are some choices to be made by the Council in order for it to be able to set a balanced budget in February 2021. As a result, Members suggested arranging a different meeting involving a larger number of, or all, Councillors where they can consider the savings options and the income generating options, so that the right choices are made for residents, based on cross-party support and collaboration.

Response from the Executive:

The recommendations in the report were approved , subject to the follow amendment to recommendation 2,4, to read: *"That the Executive notes the impact of both current year and future years ongoing and forecast changes will have upon the Medium term Financial Strategy (MFTS), how these changes are expected to be accommodated, and where further savings / income generation need to be achieved to mitigate the deficit position to enable it to set a balanced budget for 2021/22 **and the 2020/21 Budget is duly updated to reflect the changes in Sections 3.1 and 3.5**".*

#### 9. **WDC Post Covid Recovery Strategy – Back to the Future**

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Response from the Executive:

The recommendations in the report were approved, subject to the following amendments:

*"2.3 The Executive agrees to fund the total estimated cost of the implementation steps of £292,600, to be funded as detailed in Section 3."*

*"2.5 The Executive agrees to the latest version of the General Fund Capital Programme, last agreed by Executive as part of the 2020/21 General Fund Budget and Council Tax Report".*

### **30 September**

#### 3. **Risk Management Annual Report 2019/20 and Strategy**

The Finance & Audit Scrutiny Committee was satisfied with the proposals as set out in the report.

Response from the Executive:

The recommendations in the report were approved.

## **17 November**

### **3. Fees and Charges**

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Executive Response:

Councillor Hales thanked the Finance and Audit Committee and the Programme Advisory Board for their advice. The recommendations in the report and addendum were approved

### **4 Sherbourne Resource Park – Proposal to become a partner Council**

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Executive Response:

The recommendations were approved.

### **6 Creative Quarter – Spencer Yard**

The Finance & Audit Scrutiny Committee recommend to Executive that authority be delegated to the Deputy Chief Executive (BH) in consultation with the Chair of the Finance & Audit Scrutiny Committee, the Leader of the Council and the Portfolio Holder for Finance and Business, to further investigate and look in detail at the proposed Heads of Terms included in Confidential Appendix 2. Given the Council's unanimous support of the Climate Emergency Action Plan, Members ask that detailed terms on the environmental standards of the proposals be considered, and whether it is sensible to include environmental conditions into the lease. Members feel that the efficacy of those conditions is something the Programme Advisory Board should look at and monitor.

**The Executive are required to vote on this because it forms a recommendation to them.**

Executive Response:

Councillor Rhead, as the Portfolio Holder for Environment, stated that he was in support of the comments from the Finance and Audit Scrutiny Committee, but requested an amendment to the recommendation to ensure it would not affect the viability of the scheme.

Councillor Hales thanked officers for their time and efforts, and welcomed the input from both Scrutiny Committees. He was happy to accept the recommendation from the Finance and Audit Scrutiny Committee.

Councillor Nicholls, the Chair of the Finance & Audit Scrutiny Committee, agreed to the suggested amendment to the recommendation from the Finance and Audit Scrutiny Committee, to include "subject to not adversely affecting the viability of the scheme".

The recommendations in the report were approved, subject to the additional amended recommendation from the Finance and Audit Scrutiny Committee.

## **9 Significant Business Risk Register**

The Finance & Audit Scrutiny Committee recommend to Executive to review Environmental Risk 16 on the Risk Register, "Failure to meet the District's ambition to be carbon neutral within specified timeframes", to more clearly indicate if this risk refers to the ambition to become carbon neutral as a Council, District or both together. Members felt that as it stood, this was unclear and would benefit from being broken down into different aspirations and their risks, or making it more clear if it is an overarching risk for the whole programme.

**The Executive are required to vote on this because it forms a recommendation to them.**

Councillor Rhead suggested an amendment to this recommendation, to clarify that there were two separate targets, one for the District and one for the Council.

Councillor Nicholls, the Chair of the Finance & Audit Scrutiny Committee, agreed to Councillor Rhead's suggested amendment, to include: "Failure to meet the District's ambition to be carbon neutral within specified timeframes, be split in two risks that refer to the ambition to become carbon neutral as a Council and as a District".

The recommendations in the report were approved, subject to the additional amended recommendation from the Finance and Audit Scrutiny Committee.

## **9 December**

### **General Fund Financial Update**

The Finance & Audit Scrutiny Committee noted the recommendations in the report and asked the Executive to provide further detail and the financial rationale between the Climate Emergency Action Plan and the £500,000 mentioned in recommendation 2.5. More specifically, whether the £500,000 is intended to be the first increment in a longer-term reserve that will fund agreed projects in the Action Plan and also be used to leverage more money through government and other grants. In that latter context, it would be helpful to have an indication of the ambition for the scale of the fund that might be generated to meet the Council's targets.

The Committee noted that there were still a number of aspects which were not known at this time, such as the impact on Business Rates and New Homes Bonus arrangements, and looked forward to further detail in the Budget report, to be brought forward in February 2021.

Response from the Executive:

Councillor Rhead, the Portfolio Holder for Environment, thanked the Finance and Audit Scrutiny Committee for its comments, and stated that there had been discussions at the Climate Emergency PAB pre-meeting on this matter. He explained that there was a pathway to underscore what was being set out for the proposed budgets. It was important to realise that this was a new path other than the referendum that was proposed in 2020, but the details against that referendum still stood in good stead because the Climate Emergency



Action Plan would still be implemented, and he hoped and trusted that the amount raised would induce other payments from other areas and grants.

Councillor Hales, the Portfolio Holder for Finance and Business, explained that the intention was that the £500,000 that was put aside would continue to be set out in the budget for the remainder of this Council, and fundamentally, all Councillors had signed up to the Climate Emergency.

The Leader thanked Councillor Nichols, and he explained that the genus of this fund was a financial engine to drive the Climate Emergency Action Plan, and accepted this needed to be shaped further and work would take place to provide more detail for the February 2021 Executive meeting.

The recommendations in the report were approved.

## 6. **Housing Revenue Account Business Plan Review 2020**

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Executive Response:

The recommendations in the report were approved.

## 5&12. **Formation of a Local Housing Company**

The Finance & Audit Scrutiny Committee noted the report and confidential appendices. It expressed concern about the robustness of the governance arrangements for the delegation of powers for approving loans in paragraphs 2.6.1 and 2.8 of the report, while recognising the need to balance the ability to act swiftly with appropriate oversight and scrutiny. Following the meeting, in discussion between the Chair of the Committee, the Deputy Chief Executive and Monitoring Officer, and the Portfolio Holder for Housing and Property, the latter has proposed amendments to the report as set out below:

"2.6 That subject to the approval of recommendation 2.3, Executive agrees that it:

2.6.1 Delegates authority to the **Deputy Chief Executive & Monitoring Officer**, Head of Finance and the Deputy Chief Executive (BH), following consultation with the Portfolio Holders for Housing and Property and Finance, **Chair of Finance & Audit Committee and the Chair of the Finance PAB**, to agree the terms and conditions of, and approve loans up to a value of ~~£56.835m~~ **£11.625m**.

2.8 That subject to agreeing recommendation 2.7, Executive agrees to delegate authority to the Chief Executive, Head of Finance and Deputy Chief Executive & Monitoring Officer, in consultation with the Group Leaders, noting that this includes the Chair of Finance & Audit Committee, **and the Chair of the Finance PAB**, to approve a loan request from the JV and determine the terms and conditions of the loan, having taken appropriate legal and commercial advice, and it is then recommended to Council that the capital programme is adjusted to reflect the loan to the JV funded by PWLB borrowing subject to

Council approving changes to the Prudential Indicators as detailed in a further report.”

Response from the Executive:

Councillor Matecki thanked officers for their hard work in getting the report done so quickly, and expressed his pride at the work the Housing team had undertaken. He then proposed the report as laid out in the addendum, subject to the amended recommendations proposed by the Finance and Audit Scrutiny Committee.

## **11 February**

### **6. General Fund Budget and Council Tax 2021/22**

The Finance & Audit Scrutiny Committee supported the report and took the opportunity to thank all officers for their work in bringing forward the budget for the Council in these challenging times.

Response from the Executive:

Councillor Hales thanked the Head of Finance and officers who had worked so diligently in producing the budget in recent months, and he thanked the Finance and Audit Scrutiny Committee. The recommendations in the report were approved.

### **8. Treasury Management Strategy 2021/22**

The Finance & Audit Scrutiny Committee noted the report and welcomed the approach of PAB picking up the initial work in this area in respect of the potential Environmental, Social and Governance investment and joint working with Stratford District Council.

Response from the Executive:

Councillor Hales thanked the Finance and Audit Scrutiny Committee Members for their questions at the Committee’s meeting on 10 February. He also explained that he had spoken to the Chair of the Finance and Business PAB and this item would come to the PAB in September. He thanked the Head of Finance and the report author, the Principal Accountant, and he then proposed the report as laid out.

### **11. Warwick District Leisure Development Programme – Kenilworth Facilities**

The Finance & Audit Scrutiny Committee supported recommendations as amended.

They also welcomed:

- (1) the assurance from the Portfolio Holder in respect of potential delays within Development Services in determining the planning applications for these sites within the 13 weeks due to a backlog in that service area; and
- (2) the understanding that the project will be treated as two separate sites and projects throughout this project to enable them to be more agile in delivery.

Executive Response:

The recommendations in the report were approved, as amended.

## **18 March**

### **3. Community Infrastructure Levy (CIL) Projects List for 2021/22**

The Finance & Audit Committee supported the report.

Response from the Executive:

Councillor Cooke felt that it was a good idea that in addition to the Development Programme Advisory Board (PAB), matters of the CIL list should also go to the Finance PAB, which was suggested at the 17 March Finance & Audit Scrutiny Committee meeting. He recognised that a lot of good work had gone into producing the proposals.

The recommendations in the report were approved.

### **8. Review of Significant Business Risk Register**

The Finance & Audit Scrutiny Committee noted the report.

Response from the Executive:

Councillor Hales, the Portfolio Holder for Finance, stated that he had a meeting with the Strategic Risk Manager about the arrows on the risk register, which hadn't moved on the risk register because there had been no change in the risk levels, and these arrows would appear in future reports. At the Finance & Audit Scrutiny Committee meeting on 17 March, it was agreed that he would meet with Chair of Finance & Audit Scrutiny Committee, Head of Finance and the Chief Executive in June to look at the strategy behind the risk. It was important to make sure the Council recognised the different challenges coming forward, and that the Council set a strategy that officers and Councillors could work through. Councillor Day felt that in the light of nearly 12 months since the first national lockdown, one of the best ways the Council had managed risks was the genuine shared working across political groups and extra efforts and goodwill officers had shown. In the most challenging of financial years, the Council had still managed to find money for the Climate Action Fund despite being prevented from holding the referendum as hoped. He welcomed Councillor Hales' work with officers, and the Chair of the Finance & Audit Scrutiny Committee in making sure the Council remained sharp and focused on the strategic risks.

The recommendations in the report were approved.

## **13 April**

### **3. Warwick District Council Loan to Glasshouse Lane, Kenilworth Joint Venture**

The Finance & Audit Committee congratulated the officers for the clarity and detail of the written and oral presentation of the case for the loan to the Joint Venture, which it felt had contributed to a good understanding by Members and a rich and informed discussion of the risks and opportunities of the proposition.

The Committee suggested that the paper could be further improved by inclusion of:

- an infographic on the securities negotiated by the Council for the proposed loan to complement the infographic on the funding structure of the loan on page 11 of the report; and
- a risk register for the proposal.

The Committee also requested that the Executive might wish to ensure itself and the Council that there was no other provision that could reasonably be put in place to protect the Council and the public purse in issuing the loan, such as the deposit of the proposed contingency sum by the Vistry Group into an escrow account.

The Committee noted with strong approval the commitment to a performance standard of zero carbon in the build specification and that new builds would be to at least the new standard in the proposed revised Part L of the building regulations.

The Committee supported the recommendations with its comments as set out above.

Response from the Executive:

#### **4. Purchase of 248 s106 Plots and 62 Private Rented Stock (PRS) Units, Glasshouse Lane, Kenilworth**

The Committee repeated its congratulations to the officers for the clarity of the written paper. It suggested that the paper could be improved by inclusion of an infographic of how the proposed loan to MHL and the flow of finances associated with it would operate based on the information in the paper and Appendix 1 to the report.

The Committee supported the recommendations with its comment as set out above.

Response from the Executive: