

FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 16 April 2013 at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillors Barrott, Dagg, Edwards, Illingworth, MacKay, Mrs Mellor, Pittarello, Pratt, Mrs Syson and Williams.

ALSO PRESENT: Councillor Vincett (Portfolio Holder) and Councillor Bromley (observing).

Apologies for absence were received from Councillors Mrs Knight, Rhead and Mrs Sawdon.

160. **SUBSTITUTES**

Councillor Edwards substituted for Councillor Rhead and Councillor Illingworth substituted for Councillor Mrs Knight.

161. **DECLARATIONS OF INTEREST**

Minute 163 - Review of Housing and Property Services Risk Register

Councillors MacKay and Pittarello declared interests because they were members of the interim housing and property board.

Minute 170 - Executive Agenda (Confidential Items and Reports) - Item Number 15 - Shades Judicial Review

Councillor Pratt declared an interest as a member of the Regulatory Committee. Councillor Pittarello declared an interest as a member of the Task and Finish Group.

162. **MINUTES**

The minutes of the meeting held on 12 March 2013 were taken as read and signed by the Chair as a correct record.

163. **REVIEW OF HOUSING AND PROPERTY SERVICES RISK REGISTER**

The Committee received a report from Finance which set out the process for review by the Committee of the Housing and Property Services Risk Register.

The Portfolio Holder and Head of Housing and Property Services attended the meeting to present the register and to respond to questions. They were accompanied by the Business Support Manager and Service Improvement Officer.

The Audit and Risk Manager introduced the report and presentation. He commended the risk register to the Committee because Housing and

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Property Services had adapted the corporate model for their own purposes and he felt it was a fine example of a risk register.

The Head of Housing and Property Services gave the Committee details about the template and scoring applied to the register. He gave two examples of how risks had been managed, those examples being management of inadequate asbestos and income collection.

Responding to Members questions, the Portfolio Holder advised the Committee that the register was reviewed almost daily and, more formally, at a monthly meeting. He added that the register assisted with service improvement plans and therefore could be used to mitigate associated risks. He emphasised that risk identification and management was a core part of the service's work.

The Portfolio Holder and Head of Housing and Property Services responded to questions relating to the management of contractors, the house-swapping programme, housing strategy objectives, problem tenants and protection of vulnerable tenants.

One Member suggested that death should be listed as a possible consequence under items 2 and 15 on the register.

Members were pleased with the risk register which gave the level and presentation of information they were looking for and which gave them confidence that risks were being managed appropriately. They asked the Audit and Risk Manager whether it would be worth recommending the template of this risk register to other services as an example of best practice. The Audit and Risk Manager replied that he would have to think through the implications, but that he would certainly bring it to the attention of Cultural Services which was the next service due to present a risk register to the Committee.

The Committee thanked the Portfolio Holder and Head of Housing and Property Services for their presentation and extended particular thanks to the Business Support Manager and Service Improvement Officer who carried out the majority of work relating to the register on a day-to-day basis.

(Councillor Williams arrived during the course of this item.)

164. AUDIT PLAN – 2012/13 ACCOUNTS

The Committee received a report asking Members to consider the plan for auditing the 2012/13 accounts, produced by the external auditors, Grant Thornton, and if necessary agree any further information required from either officers or the Council's auditors. The Audit Plan was presented to the Committee in order to aid understanding of the role of the Council's external auditors.

Mr John Gregory, representing Grant Thornton, attended the meeting to present the report and respond to Members' questions.

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Mr Gregory reminded the Committee that this was the first time it had received an Audit Plan from Grant Thornton - rather than from the auditor's predecessor the Audit Commission - and highlighted its different format and greater level of detail. Grant Thornton's approach was more risk based than that of the Audit Commission, with an emphasis on carrying out more work in areas considered to be high risks and, conversely, less work in perceived low risk areas. Mr Gregory drew attention to the "significant risks" table, highlighting two areas which the external auditor was duty bound to consider as significant risks unless evidence could be found to rebut the assumption that they were not. He also reminded the Committee that Grant Thornton's fees were 40% lower than the fees charged by the Audit Commission.

The Committee thanked Mr Gregory for attending the meeting and for his report.

RESOLVED that the report and the Audit Plan 2012/13 be noted and any further information required from officers or the Council's auditors, as detailed above, be agreed.

165. 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 13 March 2013.

RESOLVED that the contents of the report be noted.

166. FORWARD PLAN

The Committee considered a report from Civic and Committee Services informing it 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.

A Member pointed out that the Forward Plan listed a Pre-application Charging report as being due to be presented to the Executive this month, but that this report had not come forward. Officers agreed to follow this up.

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

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167. REVIEW OF THE WORK PROGRAMME

A report from Civic and Committee Services detailed the Committee's work programme for 2012/13 and 2013/14.

RESOLVED that the work programme for 2012/13 and 2013/14 be noted.

168. 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 17 April 2013.

Agenda Item 6 – Council Tax Fraud Penalties

The Committee expressed concern at how difficult the Sanctions Policy might be for some people to understand and was therefore reassured to note that safeguards were in place to protect the vulnerable and supported the recommendations in the report.

Agenda Item 8 – Exemption to the Code of Procurement Practice – Street Lights

The Committee supported the recommendations in the report.

Agenda Item 9 – Corporate Repairs and Improvement Programme 2013/14

The Committee felt that, in relation to recommendation 2.7, the report should have spelt out more specifically how the proposed allocation would be spent. Upon receiving this information verbally from the Head of Housing and Property Services, the Committee agreed to support the recommendations in the report, but suggested that it would be more appropriate for recommendation 2.8 to read "...the ongoing work to produce..."

(Councillor Vincett left the meeting at the conclusion of this item.)

Agenda Item 10 – HS2 Update and Ongoing Strategy / Council Involvement

The Committee expressed concern that this was the first update report Members had received since the 2010 agreement that HS2 be opposed. The Committee felt it was essential that all Members receive regular feedback, with particular emphasis on what work had been carried out and how monies had been spent to date in the Council's opposition to the HS2 proposal, what the on-going plan was and how budgetary provisions were intended to be spent going forward. The Committee was keen to see transparency and accountability. Dissatisfaction was expressed over how the initial agreed budget of £50,000 had been increased without consultation and some Members suggested that decisions relating to HS2 should be taken by Council as a whole rather than by the Executive. Nevertheless, the Committee was largely supportive of continuing with the 51M consortium of Authorities as part of the appeal against the findings of the Judicial Review. Members felt that they needed regular updates on the

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ongoing work with 51M and any other meetings that took place on the subject of HS2.

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

Agenda Item 11 – Development of the Destination Management Organisation (DMO)

The Committee was concerned that, until an appropriate business plan was accepted in line with recommendation 2.5, then recommendations 2.3 and 2.4 should not be taken forward. (The Committee also felt that recommendation 2.3 should make reference to the business plan.) Members were frustrated both by the lack of a business plan and the lack of information generally, and cited as an example of the latter that evidently it was intended that there should be a board of directors, but there was no information as to whether or not those directors would be paid.

Agenda Item 12A – Rural / Urban Capital Improvement Scheme

The Committee accepted that the title of the report should be "Rural / Urban Capital Improvement Scheme", not "Application".

There was discussion over whether it would be appropriate to lower the maximum amount that could be applied for, but Members ultimately agreed that it should remain the same because a cap might rule out what were otherwise very good applications. Members felt that the third statement under "Grant Conditions" should read "must" rather than talk about "the right to", but otherwise supported the recommendations in the report.

169. 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.

The full text of Minute 170 was recorded in a confidential minute which would be considered for publication following implementation of the relevant decisions. However, a summary is as follows:

170. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)

The Committee considered two confidential items which would be discussed at the meeting of the Executive on Wednesday 17 April 2013. Those items were 'Exemption to the Code of Procurement Practice – Telephony' (Executive agenda item 14) and 'Shades Judicial Review' (item 15).

(The meeting ended at 8.10 pm)