

 Finance & Audit Scrutiny Committee - 14 February 2012		Agenda Item No. <h1 style="text-align: right;">6</h1>
Title	Comments from the Executive	
For further information about this report please contact	Peter Dixon Committee Services Officer 01926 456114 committee@warwickdc.gov.uk	
Service Area	Members' Services	
Wards of the District directly affected	N/A	
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	
Date and meeting when issue was last considered and relevant minute number	N/A	
Background Papers	Finance & Audit minutes 10/01/2012 & Executive minutes 11/01/2012	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Deputy Chief Executive	25.01.2012	Andrew Jones
Chief Executive		
CMT		
Section 151 Officer		Mike Snow
Legal		
Finance	27.01.2012	Jenny Clayton
Portfolio Holders		

Consultation Undertaken	
N/A	
Final Decision?	Yes
Suggested next steps (if not final decision please set out below)	

1. SUMMARY

- 1.1 This report summarises the Executive's response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 11 January 2012.

2. RECOMMENDATION

- 2.1 The responses made by the Executive be noted.

3. REASONS FOR THE RECOMMENDATION

- 3.1 This report is produced to create a dialogue between the Executive and the Finance & Audit Scrutiny Committee, ensuring that the Scrutiny Committee is formally made aware of the Executive's responses.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 The Committee receives and notes the minutes of the Executive instead.

5. BUDGETARY FRAMEWORK

- 5.1 There is no impact on the budgetary framework. This is for the Committee's information only.

6. POLICY FRAMEWORK

- 6.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

7. BACKGROUND

- 7.1 As part of the new scrutiny process, the Committee no longer considers the whole of the Executive agenda.
- 7.2 Councillors are emailed at the time of the publication of the Executive and Scrutiny Committee agendas, asking them to contact Committee Services by 9.00am on the day of the Scrutiny Committee, to advise which Executive items they wish the Scrutiny Committee to pass comment on, and the reasons why.
- 7.3 As a result, at its meeting on 10 January 2012, the Finance & Audit Scrutiny Committee considered the items detailed in appendix 1. The responses which Executive gave are also shown.

APPENDIX 1

Responses from the meeting of the Executive held on 11 January 2012 on the Finance and Audit Scrutiny Committee's Comments

Item no.	4	Title	General Fund Revenue Base Estimates Revised 2011/12 and Original 2012/13	Requested by	Chair
Reason considered	Financial implications for the Council.				
Scrutiny Comment	<p>The Committee discussed the Council's approach to its Fit for the Future programme and, in particular, the change programme element. Members noted work which was underway, including long term financial planning. A desire was expressed that efforts be taken to ensure that the Council's financial concerns be reflected in arrangements made with contractors. The Committee was pleased to see partial recovery of an overspend on Housing and Council Tax Benefits and thanked the officers involved. The Committee supported the recommendations in the report, in particular recommendation 2.2(a).</p> <p>Councillor Mrs Knight addressed the Executive, highlighting that one of the concerns raised by F&A was inflation costs. The Committee wanted reassurance that inflation costs would be passed on to contractors to shoulder, where possible.</p>				
Executive Response	<p>The Portfolio Holder for Finance explained that some contracts already had inflation costs built in. The Head of Finance had addressed this by removing such costs from managers' budgets, enabling a more robust management of costs. Without Fit for the Future, the Council would not be in such an advantageous position, which was due to both savings made and increased income.</p> <p>The Executive were satisfied that the resolutions in the report be recommended to Council.</p>				

Item no.	5	Title	HRA Revenue Base Estimates Revised 2011/12 and Original 2012/13	Requested by	Chair
Reason considered	Financial implications for the district.				
Scrutiny Comment	While some dismay was expressed at the average increase in dwelling rents, the reasons for this were understood and the Committee supported the recommendations in the report.				
Executive Response	-				

Item no.	6	Title	HRA Draft Business Plan 2012 – 2042 and Self Financing	Requested by	Chair
After discussion, this item was withdrawn from the agenda in order for a revised report to be presented to the February meeting of the Executive.					

Item no.	8	Title	Photovoltaic Panels report	Requested by	Chair
Reason considered					
Scrutiny Comment	Members noted that the proposal was to install panels in social properties, not corporate ones. Some disappointment was expressed that current prices had not been incorporated into the business plan as soon as they had become available, but the Committee supported the recommendations in the report.				
Executive Response	The Portfolio Holder for Housing and Property Services explained that this report followed on from one submitted in September 2011, since which time changes had been implemented by Central Government. He accepted that the financial position was not ideal but felt that the project needed to be viewed as an exercise in improving social housing and attitudes towards alternative fuel.				

Item no.	9A	Title	Significant Business Risk Register	Requested by	Chair
Reason considered	Part of the Committee's role is to monitor the register and the proposals have an impact on the Committee's work programme.				
Scrutiny Comment	The Committee supported the recommendations in the report and noted that, if the Executive agreed to the recommendations, the Committee would receive quarterly presentations on Service Risk Registers, commencing in April 2012.				
Executive Response	Portfolio Holders were thanked in advance for their assistance. The exercise would underpin their responsibilities and reinforce the principles of scrutiny. Members were reminded that this would assist with the task of keeping shadow portfolio holders up to date with the risks relevant to their service areas.				

Item no.	9B	Title	Newbold Comyn Leisure Centre Water Flume Replacement Exception Report	Requested by	Chair
Reason considered	The Committee takes an active role in monitoring procurement.				
Scrutiny Comment	The Committee discussed the justification for making an exception to procurement rules in this instance, recognised that in order to remove risk it was the only feasible option and supported the recommendations in the report.				
Executive Response	The Portfolio Holder for Cultural Services pointed out that the existing flume had serviced the public well for twenty years but had recently been closed due to health and safety issues. This had already had a noticeable effect on revenue. The project required a specialist contractor and the Portfolio Holder was satisfied that the Council had researched all avenues with procurement matters. The Portfolio Holder for Housing and Property Services stated that an extensive amount of market research had been undertaken prior to officers reaching this decision. Both Portfolio Holders were satisfied they were receiving a quality product for a good price and were happy with the combined departmental decision.				

Item no.	11	Title	Rural Housing Biomass Heating Project and Exception Report	Requested by	Chair
Reason considered					
Scrutiny Comment	The Committee noted and supported the recommendations in the report.				
Executive Response	-				