

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Wednesday 4 January 2017 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Quinney (Chair), Councillors; Ashford, Barrott, Mrs Falp, Gifford, Illingworth, Murphy, Rhead and Thompson.

Also present: Councillor Phillips.

85. **Apologies and Substitutes**

- (a) There were apologies for absence from Councillor Cain; and
- (b) Councillor Murphy substituted for Councillor Harrington.

86. **Declarations of Interest**

Minute 94 Executive Agenda (Non-Confidential Items & Reports – Thursday 5 January 2017)

In relation to Executive Item 7 – Cloister Way Affordable Housing, Councillor Gifford informed the Committee that he had spoken at Planning Committee in favour of the related Planning Application; and Councillors Ashford and Mrs Falp informed the Committee that they had been part of the Planning Committee that had determined the related Planning Application.

87. **Minutes**

The minutes of the meeting held on 29 November 2016 were taken as read and signed by the Chairman as a correct record.

88. **Executive Agenda (Non-Confidential Items & Reports – Thursday 5 January 2017)**

The Committee considered the following non-confidential item which would be discussed at the meeting of the Executive on Thursday 5 January 2017.

Item 3 – Council Tax Property Exemption Period

The Committee accepted the recommendations in the report and noted that there were appropriate exemptions in place for; reductions in Council Tax to enable major renovation works to be undertaken; or for second homes.

89. **Student Accommodation and Houses in Multiple Occupation**

The Committee considered a report from Finance that detailed the statutory position in respect of student accommodation/Houses in Multiple Occupation in relation to Council Tax liability, and the effect these had on the Council's finances.

This report had been produced at the request of the Finance and Audit Scrutiny Committee.

The Committee recognised that the statutory position of not collecting Council Tax from student properties had reduced the revenue collection for the District in the region of £300,000 per annum. This also reduced the Council Tax base level. The support grant from central government used to reflect this loss of income. How the Council was compensated for this loss of income was now harder to identify because of the reduction and eventual removal of this central government grant. It was possible that this loss of income would be recognised through the proposed improved business rate retention level from the government, but this was currently unclear.

The Committee noted that for new developments of this nature the Council would receive a new homes bonus, but this grant was reducing and only applied as a one off payment.

It was clarified for the Committee that for non-student Houses in Multiple Occupation, Council Tax was still payable.

Resolved that the report be noted.

90. **Executive Agenda (Non-Confidential Items & Reports – Thursday 5 January 2017)**

The Committee considered the following non-confidential item which would be discussed at the meeting of the Executive on Thursday 5 January 2017.

Item 8 – Significant Business Risk Register

The Committee regretted that the Leader was not present for this item and asked for an explanation as to why the significant project that members were briefed on earlier in the week was not included in the Risk Register.

The Committee asked for a clear timescale as to when the review of Recruitment and Retention as set out as the mitigation measures identified in Risk 2, would be brought to Members, because this had now been raised for at least 11 months.

The Committee noted that the risk for the Local Plan was likely to reduce in light of the Planning Inspectors notification to the Council

91. **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 items 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.

92. **Executive Agenda (Confidential Items & Reports – Thursday 5 January 2017)**

The Committee considered the following confidential item which would be discussed at the meeting of the Executive on Thursday 5 January 2017.

Item 11 – Decision Made under Chief Executive’s Emergency Powers

The Committee supported the recommendations in the report. They raised two main questions and were assured that future proposals would address one and a robust process including Group leaders was in place for such situations which addressed the other.

93. **Review of the Housing & Property Services Risk Register**

The Committee considered a report from Housing & Property Services that set out the service area’s current risk register for them to review.

The review process enabled the Committee to fulfil their role in managing risk. In its management paper “Worth the risk: improving risk management in local government”, the Audit Commission clearly set out the responsibilities of Members and officers. These were detailed in the report.

Risk registers were in place for all significant risks facing service areas in the provision of their services. In addition to service risk registers for all service areas, the Significant Business Risk Register contained the organisation’s corporate and strategic risks.

The latest version of the Housing and Property Services Risk Register was set out as Appendix 1 to the report. The register had been updated by the Housing & Property Management Team, in accordance with the Council’s established criteria for scoring risk. Risk scoring was a subjective exercise, based on an assessment of the likelihood of something occurring, and the impact that this could have. Appendix 2 to the report set out the guidelines that were applied to all risk registers within the Council.

The Housing and Property Services Management Team that had produced the Risk Register consisted were entirely different personnel to that which had produced the previous register. Consequently, the risk ratings were all new. In future, where ratings were re-assessed and the register showed movements, the covering report would explain why these movements had taken place. This approach had not been possible on this occasion because none of the staff who had previously assessed the risks were still working at the Authority.

In response to questions from the Committee, the Portfolio Holder explained that while a number of actions were outlined for March 2017, these actions were achievable.

It was also noted that the new Management Team had taken a cautious approach to risk evaluation. It was anticipated that once the new management team had become established in their new roles and the impacts of the new mitigation had been reviewed, the risk scores should reduce.

Resolved that the report be noted.

(Councillor Phillips arrived during this item)

94. **Executive Agenda (Non-Confidential Items & Reports – Thursday 5 January 2017)**

The Committee considered the following non-confidential item which would be discussed at the meeting of the Executive on Thursday 5 January 2017.

Item 7 – Cloister Way Affordable Housing

The Committee welcomed the report and recommendations.

Item 4 – Pre-Application Charging Regime

The Committee supported the recommendation in the report and noted that the wording would be revised so the exemptions are amended to apply to schemes of 90% affordable housing or greater.

Item 6 – Consultation on draft Community Infrastructure Levy (CIL) Charging Schedule

The Committee had concerns about the proposed document as it was a technical document that was complicated and wished to ensure that the message was understood by the general public during consultation. They welcomed a further briefing/training session on CIL and the IDP for Councillors in the near future.

The Committee were assured that prior to consultation the table in Paragraph 3.4 would be amended to reflect that it was a cost per sqm and would ensure that Whitnash was referenced as being included within Zones B&D, along with the inclusion of the appropriate map demonstrating the areas A-D.

The Committee recognised there would be Section 106 agreements contributions as well and hoped the impact of these on strategic residential developments in particular would be clear in the consultation document.

The Committee welcomed the proposal, therefore, to include examples and scenarios within the consultation to show the true contribution from each development.

The Committee sought assurance that the Executive understood that this was for both Brownfield and Greenfield sites and that this also should be made clearer in the consultation document.

However, the Committee at this time recognised that the important issue was to get this out for consultation to move the matter forward.

(Councillor Barrott left the meeting during this item)

95. **Comments from the Executive**

The Committee considered a report from Democratic Services which summarised the Executive's response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 30 November 2016.

Resolved that the report be noted.

96. **Review of the Work Programme & Forward Plan**

The Committee considered its Work Programme for 2016/2017 and the Forward Plan.

Resolved that its Work Programme be amended as follows:

- (1) a report on the introduction of charging for replacement bins and recycling boxes/bags, be brought to the next meeting;
- (2) an update on Section 106 agreements be brought to the next meeting; and
- (3) a report on business rates retention be brought to the Committee in October 2017.

(The meeting ended at 8.32 pm)