



Title	Comments from the Executive
For further information about this report please contact	Amy Barnes Senior Committee Services Officer 01926 456114 committee@warwickdc.gov.uk
Service Area	Civic & Committee 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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No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	Executive – 08.02.2017

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		
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		
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 8 February 2017.

2. Recommendation

- 2.1 That the responses made by the Executive be noted, as set out in Appendix 1 to the report.

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 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 9.00 am 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 4 January 2017, the Finance & Audit Scrutiny Committee considered the items detailed in the appendices. The responses which the Executive gave are also shown.

Responses from the meeting of the Executive held on 8 February 2017 to the Finance and Audit Scrutiny Committee's comments

Item no	4	Title	Budget 2017/18 and Council Tax – General Fund Revenue and Capital
Scrutiny Comment		<p>Finance & Audit Scrutiny Committee raised concerns that the Right To Buy Capital Receipts were being utilised for functions unrelated to the supply of housing but noted that the Council was not restricted in its right to do so.</p> <p>Concerns were also raised about the management fee likely to be offered to the successful Leisure Centre operators in recognition of the large upfront investments required including in gym equipment. However, the Committee noted the officers' assurances that this should result in significantly favourable concession payments in subsequent years, that risks would be adequately controlled and that information would be shared with Members once negotiations were concluded</p> <p>Reviewing the Medium Term Financial Strategy, concerns were raised about increased spending on ICT equipment and software and some other specific large outlays. Conversely, it was noted that the projected income from Leisure Centres did not yet reflect the expected favourable outcome expected.</p> <p>Overall, therefore the Committee supported the recommendations in the report.</p>	
Executive Response		<p>The Executive recognised the significant reduction in the net expenditure of the authority which over recent years had been reduced from over £18 million to under £12 million. They thanked all officers for their work in achieving this and for continuing to deliver services at the same standard. They recognised that it was getting harder to achieve the savings required.</p> <p>They recognised the improvements in forecasting by officers that removed would remove some of the surprises that had previously occurred and recognised the need to balance this with being prudent.</p> <p>They highlighted that while the Council was maintaining a balanced General Fund budget, there was still a need to plan for long term sustainable maintenance of Council assets and the removal of depreciation out of the Council tax calculation by the Labour Government had impacted on this.</p> <p>The Portfolio Holder for Finance reminded Members that the Leisure contract was an innovation that needed to be taken and officers were to be congratulated for their work on delivering this project in tough circumstances. The decision to provide discretion to potential management companies for the leisure centre would provide a greater return to the Council over the full length of the contract therefore delivering improved value for the Council. Councillor Whiting continued</p>	

	<p>that for this reason it was disappointing to see the statements from the Labour Group in the media. He accepted that there was a risk if the contractor went into administration but this had not occurred to date in any similar scheme and in return the Council should receive a guaranteed indexed link return.</p> <p>Finally, he stated that the main reason for the Council not investing in housing at the present time was because of the uncertainty in this area for all of local government and it would be folly to embark on such projects at this time. Therefore, at this time the money would be better used for the community and did not impact on the ability to deliver social housing when the uncertainty had been removed.</p>
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Item no	5	Title	Housing Revenue Account (HRA) Budget 2017/18 and Housing Rents
Scrutiny Comment		<p>The Finance & Audit Scrutiny Committee raised concerns relating to the increase in garage rents and hoped that this would go towards funding the repair and maintenance of the garages. Members noted, however, that the strategy relating to garages had been delayed until a new Head of Housing was in post.</p> <p>The Committee supported the recommendations in the report.</p>	
Executive Response		<p>The Executive thanked the Scrutiny Committee for their comments and reemphasised the main reason for not building houses at present was because of the uncertainty from central government.</p>	

Item no	7	Title	Treasury Management Strategy
Scrutiny Comment		<p>Finance & Audit Scrutiny Committee fully supported the recommendations in the report along with the potential for encouraging other Financial Advisors to work with Local Authorities in the future. Members also noted that whilst the risk profile was increasing, the Council was doing all it could to mitigate this whilst strengthening Capital Security.</p>	
Executive Response		<p>The Executive thanked the team for their work on this and for taking the Council into equity investments.</p>	

Item no's	8	Title	Housing Related Support Services
Scrutiny Comment		<p>Members raised concerns about the impact to residents of changes to some housing designations but noted Officers' assurances regarding consultation and the option of adjusting designations. They commended the significant reduction in some charges as a result of the review.</p> <p>The Committee therefore supported the recommendations in the report and noted that most residents were satisfied with the services being provided.</p>	

Executive Response	The Executive welcomed the comments of the Scrutiny Committee and highlighted that in essence this Council was picking up the ball from Warwickshire County Council but as a result the Council would be paying less.
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