

Audit & Standards Committee

Minutes of the meeting held on Tuesday 21 February 2023 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillors K Dickson (Chair); Davison, R Dickson, Illingworth, King, Luckhurst, Margrave, Russell, and Wright.

Also Present:

Independent Persons: Mr Tomkinson and Ms Pyke

Parish/Town Council Representative: Councillor Smart

Portfolio Holder for Resources: Councillor Hales

Officers: Sophie Vale (Committee Services Officer); Graham Leach (Democratic Services Manager & Deputy Monitoring Officer); Andrew Rollins (Head of Finance); and Richard Barr (Audit & Risk Manager).

34. **Apologies and Substitutes**

Apologies for absence were received from Councillors Ashford and Murphy.

35. **Declarations of Interest**

There were no declarations of interest made.

36. **Minutes**

The minutes of the meeting held on 18 January 2023 were taken as read and signed by the Chair as a correct record, with the addition of the answer to a question asked by Councillor R Dickson in respect of Item 4 – Audited Statement of Accounts and Audit Findings Report.

37. **Record of the Fees & Charges Review Group Meeting**

The record of the meeting held on 2 November 2022 was noted and is appended to this set of minutes.

38. **Record of the Budget Review Group Meeting**

The record of the meeting held on 8 February 2023 was noted and is appended to this set of minutes.

39. **Audited Statement of Accounts and Audit Findings Report Update**

The Committee received a verbal update from the Head of Finance. The audit had taken a backseat as priority had been given to delivering a balanced budget, a comprehensive Medium Term Financial Strategy (MTFS), and the setting of the Council Tax which was due to go to Council on 28 February.

The Head of Finance explained that progress had been made in a number of key outstanding areas, and that sample work had now been undertaken and was largely complete. There was a view to be in a position to present the final version of the audit to the Audit & Standards Committee at an additional meeting.

In response to a question from Members, the Head of Finance stated that, apart from the update provided at the 18 January meeting, Grant Thornton had not issued any subsequent recommendations or concerns outlining against the audit. The expectation was that once those items that were highlighted as part of the Audit Finance Report update given in January were complete, the audit would be ready to be signed off.

It was announced that there would potentially be an additional meeting of the Audit & Standards Committee on 13 March 2023 to consider the final Statement of Accounts and Audit Findings Report, although this was subject to confirmation.

40. **Internal Audit Progress Report - Quarter 3 2022/23**

The Committee considered a report from Finance, which advised on progress in achieving the Internal Audit Plan 2022/23, 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. This aided effective governance within the Council.

In response to questions from Members, the Audit & Risk Manager stated that:

- colleagues in Finance had been involved in the process of reviewing Covid grants, with the aid of interrogation software. Before grants were paid out, they were checked, however around six grants got through which were suspected of being fraudulent. These were reported to the authorities. In terms of the police investigation of these cases, he could not comment;
- there was possibly another case of suspected fraud which was brought to the Council's attention last week;
- the next report would include a note to reassure Members that these cases were being dealt with; and
- regarding Appendix H to the report, relating to the internal audit for National Non-Domestic Rates, he could not confirm if mandatory or discretionary relief was analysed on a sample basis to check for continued eligibility. He would find out and let Members know.

It was proposed by Councillor R Dickson and seconded by Councillor Davison that the recommendations be noted.

Resolved that the report and appendices, be noted and approved.

41. **Annual Governance Statement 2021/22 Action Plan: Review of Progress**

The Committee considered a report from Finance which reviewed the progress that was being made in addressing the 'Significant Governance Issues' facing the Council as set out in its Annual Governance Statement 2021/22. The appendix accompanying the report detailed the progress in addressing the Significant Governance Issues.

The recommendation helped to fulfil Members' responsibility for effective corporate governance within the Council and provided assurance to Members that the governance issues identified as part of the compilation of the Annual Governance Statement were being addressed.

In response to questions from Members, the Audit & Risk Manager, the Head of Finance, and the Democratic Services Manager and Deputy Monitoring Officer stated that:

- this report was a governance item, rather than an audit item. In relation to matters regarding staff morale, the setting up, implementation, and monitoring of initiatives was the responsibility of the Senior Leadership Team and HR department;
- regarding self-assessments on audit Committees, regulations required there to be an external review every five years. In between those five years, there would be an ongoing self-assessment on all of the audit standards. The Council selected a rolling proportion of the standards each year and audited themselves against those;
- the last external assessment was two years ago and was carried out by a Chartered Institute of Public Finance and Accountancy (CIPFA) consultant. Part of this assessment would comment on whether the self-assessment was being done, and how well it was being done. It was hoped that the Council would receive a positive comment at the next external assessment as there had been a programme of self-reviews set up in order to cover all of the auditing standards in the five-year period;
- last years' self-assessment covered two auditing standards and this years would cover three;
- the work programme for the self-assessments would be emailed to Members, and would be included in the work plan for the Committee to come as a formal report to a future meeting;
- regarding the effectiveness of staff morale boosting strategies, there was a proposal recommended for approval on recruitment, retention and remuneration as part of the Council's budget setting process. This was part of an overall strategy to ensure full establishments within the organisation. In terms of overall monitoring, this would go to Employment Committee alongside an updated People's Strategy report. There would be continued analysis of morale boosting strategies to ensure that their implementations were successful and that the expected or desired outcomes were delivered;
- the recruitment, retention and remuneration project would initially focus on the pay of officers, and then there would be further investigation into individual pockets of staffing where there were particular challenges being faced;
- there were no actions at the end of last year's Annual Governance Statement (AGS) that referred to Programme Advisory Boards (PABs), which was why there were no actions relating to them in the report. The AGS was currently being drafted and was due to go to Cabinet in March. This would contain reference to PABs, but Members would be entitled to ask whether there should be more information relating to PABs;
- in terms of the role and remit of the Committee and the Overview & Scrutiny Committee, it was the first year of the Committee and each had clearly defined responsibilities in the Council's Constitution. In relation to their relationship to PABs, there was an overlap in responsibilities that needed to be addressed;

- regarding staff morale, a lot of data and information was contained within the Service Area Plans, which were available via Sharepoint; and
- regarding consistency and content of PAB meetings, there might be challenges in enforcing rules about frequency and consistency of meetings as each board's remit was different. For example, PABs could not be required to meet if there was no business to consider within their remit. It was more about developing advice rather than rules.

It was proposed by Councillor Margrave and seconded by Councillor Luckhurst that the recommendations be noted.

Resolved that the progress being made in addressing the Significant Governance Issues pertaining to the Annual Governance Statement 2021/22, be noted.

42. **Training Programme for Councillors**

The Committee considered a report from Democratic Services which brought forward proposals for endorsement by Council in February 2023 in respect of training for all Councillors.

It was recognised that in both 2015 and 2019 District Elections, over half of the Councillors returned by the electorate were new to both the Council and role of a Councillor. Training and development of the new Council, including those returning to the Council, presented a significant challenge to ensure the Council could operate effectively and provide the necessary strategic direction.

While attendance at training had been reasonably good, it was considered that some areas should be mandatory for Councillors to attend due to them providing core skills and awareness of their roles and responsibilities. This was supported by the Strategic Programme Advisory Board (PAB) who identified that the Code of Conduct, Information Governance, Safeguarding and basic training on the Council finances should be mandatory for all Councillors. The Safeguarding training was also recommended by the Children's Champions of the Council. The finance training had also been raised as an area of concern by the Overview & Scrutiny Committee, Audit & Standards Committee, Monitoring Officer and Section 151 Officer. Information Governance was considered mandatory due to the significant sanctions that could be imposed on the Council and that it provided a building block to good governance and work with the community.

After discussions with Group Leaders, the Leader also included Equality, Diversity & Inclusion training as mandatory for Councillors. Overall, making equality, diversity, and inclusion training mandatory for Councillors was essential for promoting cultural competence, addressing systemic inequalities, and fostering a more inclusive and equitable society.

There would also be the usual required training for Licensing & Regulatory and Planning Committee members ahead of them determining applications. Training would also be provided on recruitment and selection

(for Employment Committee members) as necessary before they considered any relevant cases.

The Strategy PAB recognized that previously, some allowance had been made in respect of mandatory training. However, they were now of the view that these areas were so important, no allowance should be made for any Councillor not to attend. They were also of the opinion that sanctions should be applied if Councillors did not engage with these sessions.

The Code of Conduct, adopted by this Council read as follows:

"8. Complying with the Code of Conduct

As a Councillor:

I undertake Code of Conduct training provided by my local authority.

"It is extremely important for you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance."

The guidance associated with the Code went on to say:

"8.1 I undertake Code of Conduct training provided by my local authority.

Councillors should be competent for the work they undertake, and this includes the way in which you conduct yourself when carrying out your role as a councillor. Training helps to develop such competence, ensuring that you understand the Code of Conduct and how it applies to you.

As a councillor you are responsible for your own actions and will be held personally responsible if you breach your local authority's Code of Conduct. Therefore, it is essential that, where you are offered the opportunity by your local authority, you equip yourself with sufficient knowledge of the code to ensure that you comply with it at all times."

While this appeared to focus on the Code of Conduct, the opening statement was about being competent for the work. It could also be considered that failure to engage in training the Council had said was mandatory could be considered as bringing the Council into disrepute.

It was recognised that the sanctions available under the Code of Conduct were limited and therefore work had been undertaken with Group Leaders, for them to make a commitment to taking action through their political group procedures if Councillors within their Group were not meeting the expected standards in respect of training or the Code of Conduct.

The initial training programme was set out within the report, at Appendix 2, with further dates highlighted as "keep free for training". The overall plan was that the initial and mandatory training sessions would be in person, allowing for new Councillors to be set up with IT, followed by more general training to be held online and recorded, so the Members could access it at a later date if they wished to review the course. In addition to this, there would be online courses available to Members, including those provided by the Local Government Association (LGA).

The Committee should note the proposal from the Strategy PAB for a training session on Saturday 13 May 2023 (which would be mandatory), of Safeguarding and Information governance. The view of the Strategy PAB was that to provide this at an early stage starting at 10am, with lunch provided, and finishing by no later than 3.30pm, provided an opportunity for socializing for Councillors, and removed the need for two evening sessions of training.

There were areas of training which needed to be built into the plan, for example, the role and importance of the Audit & Standards Committee, in respect of understanding but also promotion of these core values of good governance. In this instance, it was likely to be with an informal discussion ahead of their first meeting, with the Committee meeting starting later to allow for this, followed by more detailed training throughout the year.

The Committee should also be aware that the Chief Executive would be holding one last event on 11 April 2023 for all Candidates on the role of a Councillor and the challenges faced. As this was online and after the close of nominations, this should see significant attendance. Once nominations have closed, all candidates would also be provided the Calendar of meetings and the outline training programme. This would (if agreed by the Committee) also set out the expectations in respect of mandatory training.

The Democratic Services Manager and Deputy Monitoring Officer clarified that discretion would be allowed, in discussion with Group Leaders, for those Members who could not attend the training sessions for valid reasons.

In response to questions from Members and Independent Persons, the Democratic Services Manager and Deputy Monitoring Officer explained that:

- in respect of paragraph 1.4 in the report, there was not as much detail included within that because the Council's Constitution already set out the mandatory training for specific Committee roles under the Council Procedure Rules. The mandatory training discussed in this report were new areas for consideration;
- he would update the Audit & Standards Committee with attendance records quarterly instead of annually;
- in respect of recommendation 2, this provided, in his view, clarification to Members that failure to attend mandatory training could be seen as a breach of the code of conduct. He would still expect a complaint of sorts to be made, so it would not change the existing Standards Matters procedure;
- in respect of recommendation 4c, this was about keeping the Audit & Standards Committee informed but it could be removed if Members did not want it to be included as a recommendation;
- there was a Code of Conduct which the Council had adopted, and that Councillors had agreed to adhere to. There was also guidance associated with that code which was quoted in the report at paragraph 1.7. The adopted procedures outlined the potential sanctions for breaching the code, which were limited under current legislation to things such as apologies or recommendations from a Hearing Committee for removal of a Councillor from a committee.

However, these sanctions were last resorts as the emphasis was always, and would always be, placed on resolving complaints informally as soon as possible. He suggested that Warwick District Council had a great record for resolving matters at an early stage. All matters would be considered on a case-by-case basis and would take a while. He emphasised that there would be discussion with Group Leaders throughout this process as, in the case of a concern or complaint being raised, Group Leaders could take action within their group;

- in terms of the Equality, Diversity and Inclusion (EDI) training scheduled for 16 March 2023, it was his decision to include the briefing on the Trees Call to Action Project to reduce the number of evening meetings for Members. He was assured that this briefing would only take 15 minutes;
- although Members might have had training on subjects such as EDI and safeguarding elsewhere previously, they were still required to complete the training at the Council as every organisation needed assurance that it had provided appropriate training, and the Council did not necessarily know the quality of the training that might have been provided by other organisations; and
- the Calendar of Meetings and outline of the training programme could not be provided to candidates before the close of nominations as officers were unsure of who the candidates would be. There had been low attendance at the 'Becoming a Councillor' sessions held by the Chief Executive earlier this year. However, he would be happy to share them to political party contacts after Council. He also noted that after the close of nominations, all candidates and agents would be emailed with details of meetings and training events.

It was proposed by Councillor Illingworth and seconded by Councillor King that the recommendations in the report should be approved, but that the following amendments would be made:

- That the wording in Recommendation 2 be changed to '*could*' instead of '*would*' to reflect the point clarified by the Democratic Services Manager and Deputy Monitoring Officer regarding breaches of the Code of Conduct; and
- That the Audit & Standards Committee be given records of the training and committee attendance for all Councillors every quarter, rather than every year.

Recommended to Council that

- (1) all Councillors must attend mandatory training in respect of the Code of Conduct, Finance, Safeguarding, Equality, Diversity & Inclusion and Information Governance;
- (2) the provision within the Code of Conduct in respect of training be highlighted and the failure to attend mandatory training could be considered as a breach of the Code;

- (3) training attendance and committee attendance records for all Councillors be reported to Group Leaders and the Audit & Standards Committee quarterly, and that these will be publicly available on the Council's website;
- (4) the Audit & Standards Committee supports the following and recommends to Council that it:
 - a) endorses the agreement of Group Leaders in respect of behaviour of Group Members as set out at Appendix 1 to the report;
 - b) confirms the expectation that all Group Leaders after the election sign up to this protocol; and
 - c) supports the Audit & Standards Committee being notified at its first meeting of the new Municipal year if Group Leaders have or have not signed up to the protocol.
- (5) the outline of the training to be provided to Councillors after the election in May 2023 and the wider aims of training for the first year as set out at Appendix 2 to the report, be noted; and
- (6) the Monitoring Officer be delegated authority, in consultation with Group Leaders and Chair of the Council, to set any further courses over the next four years as mandatory attendance, where it is considered appropriate.

43. **Returning Officer & Delegations**

The Committee considered a report from Democratic Services which sought a recommendation to Council on 27 February 2023 in respect of delegations to the Electoral Registration Officer and Returning Officer for the Council.

As part of the preparations for the Council Elections in May 2023, the Electoral Services Manager identified within the Constitution that there was no specific reference to the Head of Paid Service (Chief Executive) being the Council's Returning Officer and Electoral Registration Officer or providing them delegated authority to move polling places (the legal definition of the place where a polling station was located).

While this was implied within the role and contract of the Head of Paid Service, it was advisable for this to be defined within the Constitution for public record.

In respect of the delegation for moving polling places, this was considered a practicable step for allowing changes in between formal reviews, for places which might become either no longer available or temporarily not available shortly before an election.

It was proposed by Councillor King and seconded by Councillor Russell that the recommendations be approved.

Recommended to Council that the Head of Paid Service (Chief Executive) be confirmed as Returning Officer and Electoral Registration Officer and any other electoral officer related roles, to include keeping Polling Districts and Polling Places under regular review and amending any such arrangements where there is an operational need, prior to the next compulsory review of Polling Places and Polling Districts, and Article 12 of the Constitution be updated to reflect this.

44. **Dispensation for Councillors**

The Committee considered a report from Democratic Services, the proposals of which would protect Members from inadvertent breaches of the requirements related to Disclosable Pecuniary Interests or a "Pecuniary Other Interest" ensuring that the Council could conduct its business.

Within the Constitution, the Audit & Standards Committee was responsible for considering and determining requests for dispensation from requirements of the adopted Members' Code of Conduct.

Dispensations for Members to participate could be granted (in certain circumstances) for up to four years allowing a Member to speak and or vote where they had a Disclosable Pecuniary Interest. The application needed to be made in writing to the proper officer (Chief Executive), as defined within the procedure at Appendix 1 to the report.

In September 2020, dispensation, as per the above, was granted to all Councillors who would have an interest by virtue of them being in receipt of an allowance from another local authority. Since that time, Councillors Matecki and Roberts had been elected to Warwickshire County Council and it was considered appropriate to enable them with the same dispensation ahead of the decisions to be taken at Council in February 2023.

One of the matters related to the Local Council Tax Retention Scheme, which was considered by Cabinet on Thursday 9 February 2023. The request for dispensation was made not in sufficient time before that meeting to reasonably allow this Committee to meet and discuss such a request. Therefore, the Deputy Monitoring Officer consulted with the Independent Persons on a reasonable approach of allowing Councillor Matecki to participate, based on the previous dispensation to other Councillors and then bringing the report to the Committee for formal consideration ahead of Council taking the final decision.

It was considered appropriate that this dispensation should be approved as this was granted to all other Councillors in similar position previously so enabling the Councillors to fully participate in such items.

It was proposed by Councillor King and seconded by Councillor Russell that the recommendations be approved.

Resolved that the Audit & Standards Committee grants dispensations as at (a) and (b) below to Councillor Matecki and Roberts until elections for the Council in May 2023, in respect of circumstances where they have a Disclosable Pecuniary Interest in a matter relating to another authority only by virtue of the fact that they are an elected Member of Warwickshire County Council (WCC) and in receipt of an allowance from WCC:

- a) where the issue is a matter of dispute between the District Council and the other authority and the matter would affect the financial position of that other authority, the Councillor may speak on the matter provided they then immediately withdraw from the meeting room, unless it relates to the future structure of local government; and
- b) in relation to other matters (including the future structure of local government) affecting that other authority, the District Councillor may speak and vote.

45. **Urgent Item – Budget Review Group**

The Committee considered a report from Democratic Services which brought forward arrangements for the Council in recognition of the concerns that had been raised by the Overview & Scrutiny Committee and both the Monitoring Officer and Section 151 Officer.

In May 2022, the Council agreed to move to a single Scrutiny Committee. This was a change from previous years where the Council had two Scrutiny Committees (one of which also acted as the Council's Audit committee). The two Committees undertook the scrutiny function from different perspectives.

The remit of the Overview and Scrutiny Committee, before May 2022, was to review items to be considered by the Cabinet, to review past decisions, policy development, health and wellbeing issues, specific issues, and problems within any service area. It would also be able to scrutinise any other matter not otherwise delegated to the Finance and Audit Scrutiny Committee.

The remit of the Finance and Audit Scrutiny Committee, before it was disbanded, was to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the authority's financial and non-financial performance to the extent that if affected the authority's exposure to risk and weakened the control environment, issues of an audit nature and to oversee the financial reporting process. The Finance and Audit Scrutiny Committee would:

- review the robustness of business cases;
- promote value for money and good procurement practice;
- make recommendations on good financial management practices;

- keep the treasury management performance under review;
- approve the Statement of Accounts in accordance with regulation 10f of the Accounts and Audit Regulations 2003; and
- review specific Cabinet items and past decisions.

The remit of the Finance & Audit Scrutiny Committee covered a number of areas that were the responsibility of an Audit Committee role rather than scrutiny function. While there would always be some overlap between the work of Scrutiny Committees and the Audit Committee, it was advised against them being a single Committee. This was advised against by both the Chartered Institute of Public Finance and Accountancy (CIPFA) and Centre for Governance & Scrutiny (CfGS).

The approach of combining the Audit Committee with an Overview & Scrutiny Committee risked conflicts of interest, spreading resources too thinly and losing clarity over both Audit and Scrutiny committees' important statutory functions. Both functions required distinct support and should be able to operate effectively independently. This aside, because the functions related to similar areas, there would be matters of common interest where it made sense to collaborate. Some examples were areas around mindset and culture, securing good governance risk, value for money and wider policy issues (including the impact of Council strategy and financial management).

As a result, for the municipal year 2022/2023, Council approved a new structure around its Scrutiny function, with the Overview & Scrutiny Committee's remit being changed, to add scrutiny of finances as well, and the creation of a new Audit & Standards Committee.

The close working relationship between these two Committees should be delivered through regular dialogue between the Chairs, who should look at sharing information and areas the respective Committees might wish to look at. At present, there was a strong working relationship between the Chair of the Audit & Standards Committee and Overview & Scrutiny Committee, and this was an area that officers would continue to support into the next municipal year, including ensuring they were invited to the other's briefings prior to their Committee meetings.

Councillors were aware of the introduction of pre-scrutiny questions, the answers to which were available via the website. These helped to further focus and enhance debates at Committee. This had also reduced the number of Cabinet items being considered as simpler queries were answered outside of the formal Committee meeting.

This aside, concern had been raised by Councillors and Senior Officers that some key strategic financial reports were not receiving robust scrutiny due to lack of time and capacity at the meeting.

The Overview & Scrutiny Committee had considered these points and came to the view that in order to provide additional capacity within Overview & Scrutiny Committee meetings, before Cabinet, the most sustainable approach would be to have four additional meetings a year which would solely focus on reports to the Committee and not on Cabinet matters, therein creating more capacity at meetings of Scrutiny the night before Cabinet.

In addition to this, at its meeting in February, the Overview & Scrutiny Committee, supported the continuation of the Fees & Charges Review Group and the Budget Review Group (although now a single Group called

the Budget Review Group). Currently, these were composed of representatives of the Audit & Standards Committee and Overview & Scrutiny Committee, with a representative of each political group from both Committees.

The use of this Group had a number of benefits through sharing skills and knowledge across the Committees, while allowing focus on specific topics. They were an experiment for this municipal year but had now been built into the Calendar of Meetings for 2023/24. To enhance understanding of their role and the associated responsibilities, a brief terms of reference had been supported by Overview & Scrutiny Committee and was set out at Appendix 1 to the report.

Councillors had also raised concerns about the level of training received in respect of local government finance and more specifically, understanding Warwick District Council finances. This was considered a particularly important area for Councillors to understand, due to their legal responsibilities in respect of the over £100million a year that the Council was responsible for.

To that end, post-election on 6 June 2023, there would be a training session for all Councillors covering the basic elements of the District Council budgets, where money came from to fund services and key terminology. This would then be built upon throughout the year with more detailed sessions at appropriate times on other areas, for example, key considerations in setting fees and charges and the art of Treasury Management. Due to the importance of this area, this would be included in a proposal for mandatory training for all Councillors to be considered by the Audit & Standards Committee in February.

The Chair of the Audit & Standards Committee had been made aware of views from fellow Councillors that a work plan would be valuable for the Committee to ensure the workload could be monitored and no key items were missed.

The Democratic Services Manager and Deputy Monitoring Officer drew Members' attention to a slight rewording of the remit of the Budget Review Group for clarity. The first sentence of the Terms of Reference would now read as follows:

"The Group will meet the evening before Cabinet and will be responsible for reviewing the following papers:"

The Democratic Services Manager and Deputy Monitoring Officer also explained that normally, the Annual Treasury Management Report would go to Cabinet in February with the Budget report. However, this time it would be going to the March meeting instead. He then stated that the Annual Treasury Management Report was within the remit of the Audit & Standards Committee, and therefore, as it had not had a chance to consider it before Cabinet, Members would have the opportunity to ask questions in the pre-meeting scrutiny questions for the Overview & Scrutiny Committee. The Democratic Services Manager and Deputy Monitoring Officer would liaise with the Chair of the Overview & Scrutiny Committee about Members of the Audit & Standards Committee attending the meeting of the Overview & Scrutiny Committee if they had specific points or questions to raise regarding the Annual Treasury Management Report.

In response to a question from Members, the Democratic Services Manager and Deputy Monitoring Officer stated that the intention would be to appoint the Budget Review Group at the first meetings of the Overview & Scrutiny Committee and the Audit & Standards Committee in the next municipal year, so that Members had ample time to understand and prepare for the Budget review. He explained that, in terms of training, the Training Plan approved at this meeting set out mandatory training for finance which would help Members understand complicated papers such as the Budget. This training would then be built and improved upon over time.

It was proposed by Councillor R Dickson and seconded by Councillor Illingworth that the recommendations be approved, subject to the revision of Appendix 1 to the report.

Recommended to Council that the remit of the Budget Review Group, as set out at Appendix 1 to the report be annexed to the Constitution, subject to the following revision:

The Group will consider the Annual Treasury Management Strategy (if it is reported to Cabinet in February)

and the revised wording is as follows: *"The Group will meet the evening before Cabinet and will be responsible for reviewing the following papers:*

Resolved that it be noted that officers will draft a workplan for the Committee for it to consider at its first meeting of the new municipal year.

(The meeting ended at 7.24pm)

CHAIR
13 June 2023

Fees & Charges Review Group

Record of the meeting held on Wednesday 2 November 2022 in the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillors: Cullinan, Davison, R Dickson, King, Margrave, Milton, Redford, Syson and Wright.

Also Present: Councillor Hales, Portfolio Holder – Resources.

1. Appointment of Chair

Councillor Milton was appointed to Chair the meeting.

2. Apologies and Substitutes

There were no apologies for absence.

3. Declarations of Interest

There were no declarations of interest made.

4. Cabinet Agenda (Non-Confidential items and reports) – Thursday 3 November 2022

Item 4 – Fees and Charges

The fees and charges review meeting:

1. Thanked officers for their work on report and responses to the volume of questions that came through.
2. Recognised that the Council was dependent on the professional judgement of Officers and Portfolio Holders on Fees & Charges and that there was no perfect solution.
3. Recognised the potential financial challenges faced by the community over the next 12 months and it was keen that services remained accessible to them.
4. Recognised the overall financial challenge for the Council and this was one of three strands of the budget, the others being the government and Council Tax setting.
5. Recognised the challenges faced with elasticity of demand in that if fees were reduced in one area it may (or may not) result in increased demand that equated to extra income (above that anticipated from the proposed higher fee) from increased usage.
6. Asked that Officers looked at opportunities to reduce the impact of the increases on sports facilities by keeping any increase below 15% to

increase demand, especially being mindful of the legacy of the Commonwealth Games.

7. Asked Officers and Portfolio Holders to look for additional sources of income around potential sponsorship of works or assets or their maintenance.

(The meeting ended at 7.05pm)

CHAIR OVERVIEW & SCRUTINY COMMITTEE
7 March 2022

CHAIR AUDIT & STANDARDS COMMITTEE
21 February 2023

Budget Setting Review Group

Record of the meeting held on Wednesday 8 February 2023 in the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillors: Cullinan, Davison, J Dearing, R Dickson, Jacques, King, Kohler and Wright.

Also Present: Councillor Hales, Portfolio Holder – Resources.

5. Appointment of Chair

Councillor Davison was appointed to Chair the meeting.

6. Apologies and Substitutes

There were no apologies for absence.

7. Declarations of Interest

There were no declarations of interest made.

8. Cabinet Agenda (Non-Confidential items and reports) – Thursday 9 February 2023

Item 5 - Local Council Tax Reduction Scheme

The Budget Review Group supported the recommendations, in doing so recognising the administration burden for the Council of chasing the demand for any percentage of Council Tax to be paid against the balance of lost income.

The Group encouraged the Cabinet to ensure the message on eligibility was communicated clearly and simply to all residents and targeted to those who the Council considered to be eligible.

The Group welcomed the assurance from the Portfolio Holder to provide, to District Councillors, a one page eligibility sheet so they could help direct/filter enquiries.

The Group highlighted that any communication that was issued should highlight the process for making a claim, including an in person option.

The Group requested that all members be provided with a breakdown of the number of properties within each Council Tax Band to supplement the Table as set out in paragraph 1.4 in the report.

Item 6 - Council Tax Support Fund

The Group supported the recommendations in the report

Item 8 - HRA Budget and Rent Setting

The Group supported the recommendations in the report.

The Group were concerned that while the HRA was on target for delivering its plans for 2023/24, in the following financial years the Council may have to reduce the ambitions in terms of development, decarbonising, decent home standards and support to customers, because of the impact in rental income reduction. While at this time there was not a proposal for cuts, if the restrictions on rent continued there may be a need to.

The Group welcomed the agreement that the Head of Housing would share contact details of the Housing Team Financial Inclusion Officers with all Councillors to help them filter and direct cases.

Item 7 - General Fund Revenue and Capital Budget

The Group did not take a formal view on supporting or not the budget proposals.

The Group raised a number of points that the Cabinet and Council should take into consideration when finalising the budget and Council Tax setting for the 2023/24 financial year:

- The Council only had sufficient reserves for about two years (23/24 and 24/25) to sustain projected deficit of £3.5million
- The change management strategy, from 24/25 onwards, was a key with proposing a positive budget effect of £1.5million recurring reducing the demand on Council reserves
- Not increasing Council tax had a net adverse effect on the budget of just under £300,000 per annum for the Council
- Assumptions had been in the budgeting on a lower anticipated number of new homes and inflation based on OBR, Government, and advisors
- The budget assumed no government funding in 2024/25 but the Chancellor had indicated (with no detail or figures) that this would not be the case
- CEAP reserve of £500k per annum had not been increased to allow for inflation and would be used to fund £70k work on biodiversity (as set on Cabinet agenda)
- There was no further news on the business rate retention reset proposal

The Group noted that:

- Further details of the proposed £160k for Abbey Fields Cycle route would be shared with all Councillors
- There was an error on the totalling in Appendix 5b and a revised one would be circulated to all Councillors
- Officers would share the split of right to buy receipts between the one to one budget and any purpose capital budget
- Officers would share with all Councillors the assumptions and calculations that lead to the MTFs forecasts

(The meeting ended at 7.05pm)

CHAIR OVERVIEW & SCRUTINY COMMITTEE
7 March 2022

Appendix 3

Terms of Reference Budget Review Group

The Group will meet the evening before Cabinet and will be responsible for reviewing the following papers

Annual Fees & Charges

Setting of the General Fund Budget

Setting of the Housing Revenue Account (HRA)

Annual Treasury Management Strategy (if it is reported to Cabinet in February)

Their purpose will be to review the reports and pass comment on the strategic financial robustness of them.

The reports will be subject to pre meeting questions process as used for all Cabinet papers.

The Group will be composed of a Councillor from each Political group on the Council from each of the Audit & Standards and Overview & Scrutiny committee.

The Chairs of the respective Committees must be on the group but will form the representative of their Group from the respective Committee

The Leader of the Cabinet will permit the Chair of this meeting to represent the views of the Group in line with the rights provided to the Chair of the Overview & Scrutiny Committee