

 Finance & Audit Scrutiny Committee - 13 March 2012		Agenda Item No. 8
Title	Comments from the Executive	
For further information about this report please contact	Amy Carnall 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Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No	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 <u>must</u> 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 15 February 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 15 February 2012 on the Finance and Audit Scrutiny Committee's Comments**

Item no.	5	Title	Budget 2012/13 and Council Tax – Revenue & Capital	Requested by	Chair
Reason considered	Financial implications for the Council.				
Scrutiny Comment	<p>The Committee recognised that there was little the Council could do about a number of the issues it faced other than maintain an awareness of them. Concern was expressed that the current list of equipment renewals was greater than the reserve itself. Members agreed to maintain a watching brief on the reserves and balances set out in Section 11 (appendix 5) as per recommendation 2.20 and supported the remainder of the recommendations, with the exception of recommendation 2.17, which the Committee felt it could not support without a business case being made.</p> <p>While there was general support for a Local Pay Agreement, the Committee did not want to see this method become the norm year on year. Members felt the proposal was rather crude, but recognised its worth as a means of incentivising the Council to achieve necessary savings. However, the Committee did not want to see staff pay rises become performance related.</p> <p>The Deputy Chief Executive (AJ) agreed to confirm whether or not there was a deadline relating to the housing association element of the Housing Investment Programme, as Members did not want to see the Council lose funding for potential projects.</p> <p>Officers also agreed to clarify proposals for delivering outputs in relation to the Community Enterprise Officer contract, because the Finance & Audit Scrutiny Committee was keen to ensure that the Council continued to receive best value.</p> <p>The Committee stressed that future costs for HS2 campaigning should go through clear processing of a financial case.</p>				
Executive Response	<p>Councillor Mobbs thanked the scrutiny committee for their support and apologised for the lack of wording contained in recommendation 2.17, which dealt with the funding for an additional Temporary Project Co-ordinator. He assured members that more detailed information would be made available to them shortly.</p> <p>In response to the comments regarding HS2, Councillor Doody advised that there were still funds available from the original amount put aside and felt that this could last until next year. However, he advised that a further financial commitment might be required towards the end of the 2012/13 financial year.</p>				

Item no.	6	Title	Treasury Management Strategy Plan for 2012/13	Requested by	Chair
Reason considered	Financial implications for the Council.				
Scrutiny Comment	The Committee confirmed the move from quarterly performance reporting to bi-annual reporting, as per recommendation 2.1(b), and supported the recommendations in the report. Members were impressed by the continuing high performance of Treasury Management.				
Executive Response	The Executive were encouraged by the continued monitoring by the Committee and thanked them for their support.				

Item no.	7	Title	Housing Revenue Account Budget 2012/13 and Housing Rents	Requested by	Chair
Reason considered	Financial implications for the District.				
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report, recognising that the increase was based on a formula set by Central Government. Nevertheless, Members noted one strong objection to increasing housing dwelling rents by 8.39%.				
Executive Response	The Executive recognised that the increase was large but felt it was the best decision to take at this time. They thanked the Committee for their support.				

Item no.	8	Title	Approval of Heating, Lighting and Water Charges 2012/12 – Council Tenants	Requested by	Chair
Reason considered	Financial implications for the District.				
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report.				
Executive Response	The Executive thanked the committee for their support.				

Item no.	9	Title	Members' Allowances Scheme	Requested by	Chair
Reason considered	Financial implications for the Council.				

Scrutiny Comment	The Finance & Audit Scrutiny Committee noted the findings and recommendations of the Independent Remuneration Panel. However, while some members felt that the recommendations were acceptable, others questioned a number of the findings, including those relating to special responsibility allowances, provision of refreshments before and at committee meetings, broadband costs and mobile phone and smart phones for Councillors. There was no consensus view on these issues, other than their being contentious. A number of members expressed a desire not to see the proposed scheme implemented, as it appeared morally unacceptable for members to receive a greater increase than staff in the present climate and would send out the wrong message to both staff and the public, regardless of whether or not members accepted the increase. Members wished to see further justification from the Panel for the proposed increases.
Executive Response	The Executive appreciated the comments from the Committee and there was a similar lack of consensus among their members. Although some of the Executive members agreed that further justification would be beneficial, the overall view was to note the IRP's report.

Item no.	11	Title	2012/13 Corporate Repairs and Improvements Programme	Requested by	Chair
Reason considered	Financial implications for the Council				
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report.				
Executive Response	The Executive thanked the Committee for their support.				

Item no.	12a	Title	Play Area Review	Requested by	Chair
Reason considered	Financial implications for the Council				
Scrutiny Comment	The Finance & Audit Scrutiny Committee supported the recommendations in the report.				
Executive Response	The Executive thanked the Committee for their support.				