

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Wednesday, 8 April 2015 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Barrott (Chair): Councillors Mrs Bunker, Gifford, Mrs Knight, Mrs Mellor and Rhead.

Also Present: Councillors Mobbs and Vincett (Portfolio Holders).

Apologies for absence were received from Councillors Pratt and Williams.

130. **Substitutes**

Councillor Gifford substituted for Councillor Mrs Syson.

131. **Declarations of Interest**

There were no declarations of interest.

132. **Public and Press**

Resolved that under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item, by reason of the likely disclosure of exempt information within the relevant paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

133. **Executive Agenda (Confidential Items & Reports) – Thursday 9 April 2015**

The Committee considered the following item which would be discussed at the meeting of the Executive on Thursday 9 April 2015.

Item 11 – Funding of Green Space Development Officer Post

The Finance & Audit Scrutiny Committee supported the recommendations in the report.

Members requested that the Head of Service reported back any savings that the new post had been able to identify as referred to in paragraph 5.9 of the report.

134. **Housing & Void Property Repairs Contract Outturns for 2012-13 & 2013-14**

The Committee received a report from Housing & Property Services which presented an update on the Housing Repairs and Maintenance financial outturns for 2012-13 and 2013-14.

In January 2015, the Finance and Audit Scrutiny Committee received the Housing Revenue Account (HRA) Business Plan Performance Management Report, setting out the current and predicted financial status of the Council's landlord service.

Members of the Committee asked for further information about the Housing and Void Property Repairs Contract with particular regard to the comparative financial outturns in 2012-2013 and 2013-2014. In 2012-2013, the Council operated a Schedule of Rates (SoR) based contract moving to Open Book Accounting (OBA) for 2013-2014.

A table summarising the outturns for the two years was detailed at paragraph 3.3 of the report.

The report asked that the outturns be noted and that a full review of the current repairs and maintenance arrangements will be undertaken in the first two quarters of 2015-2016 to determine the most cost effective way to deliver this service in the future.

The Head of Housing and Property Services outlined the report and highlighted that the current contract allowed for either Open Book Accounting or Schedule of Rates to be used, meaning there would be no need to re-procure the Housing and Void Property Repairs contract.

Members questioned the Head of Housing and Property Services and the Portfolio Holder, Councillor Vincett, about the increase in garage voids, the turn-around time of void properties and the contractors being used.

The Head of Housing and Property Services advised that a void property would be turned around in less than 25 days where possible and minor works could be programmed in once a person had moved in.

The Committee thanked the Head of Service and Councillor Vincett for attending and answering its questions.

Resolved that

- (1) the Housing and Void Property Repairs Contract financial outturns for 2012-13 and 2013-14, be noted; and
- (2) a full review of the current repairs and maintenance arrangements will be undertaken in the first two quarters of 2015-2016 to determine the most cost effective way to deliver this service in the future.

135. **Review of Housing & Property Services Risk Register**

The Committee received a report from Housing and Property Services which set out the process for the review of the Housing and Property Services Risk Register.

In January 2012, the Executive agreed the following measures in relation to risk registers:

- (a) Portfolio Holders should review their respective Service Risk Registers quarterly with their service area managers;
- (b) Portfolio Holder Statements should include each service's top three risks;
- (c) Executive should note the process for the review by Finance & Audit Scrutiny Committee of service risk registers; and
- (d) The relevant Portfolio Holders should attend the Finance & Audit Scrutiny Committee meetings at which their respective service risk registers are reviewed.

The latest version of the Housing & Property Services Risk Register was attached as Appendix 1 to the report and an explanation of the scoring criteria was attached as Appendix 2 to the report.

Three major risks had been identified at the time of writing the report. These were failure to meet contractual obligations, failure to comply with policy, statutory and normative standards by staff or WDC representatives and the inability to meet Housing strategy Objective Number 2 – to meet the need for housing across the District.

The Portfolio Holder for Housing and Property Services, Councillor Vincett, introduced the report and explained that movements could be seen in the register, the actions had been updated and a date line had been added.

Councillor Barrott queried the movement and new location of the risk of Personal Safety. Officers advised that this was a risk that affected all Service Areas and agreed to speak to the management team.

In response to a question from Councillor Gifford, the Head of Housing and Property Services explained that the strategy for reviewing the risk register included a three month review with the management team as well as the register being fully accessible via the Council's Intranet. In addition, the management team passed on the relevant information to their teams.

Members queried the reality of achieving Housing Strategy Objective Number 2 – meeting the housing need across the District. The Head of Housing and Property Services assured the Committee that the Council were making inroads into it by exploring the opportunity of buying land to assist with affordable housing provision. Councillor Vincett stated that the department felt it was better to strive for top level achievement.

Members agreed that it was imperative that the impact of a legionella outbreak should not be underestimated and were assured by officers that the issue was carefully watched at all times.

The Head of Housing and Property Services and Councillor Vincett were thanked for their continued work on this document which showed that it was being effectively managed.

Resolved that the report be noted.

136. **Executive Agenda (Non Confidential Items & Reports) – Thursday 9 April 2015**

The Committee considered the following items which would be discussed at the meeting of the Executive on Thursday 9 April 2015.

Item 5 – Use of Delegated Powers – Social Housing Mobility Fund

The Finance & Audit Scrutiny Committee supported the decision and noted that the funding bid had now been successful. Members asked the Head of Housing & Property Services to circulate the bid document which detailed how the department hoped to allocate the money.

137. **Internal Audit Strategic Plan 2015/16 – 2017/18 and Internal Audit Charter**

The Committee received a report from Finance which presented the Internal Audit Strategic Plan 2015/16 – 2017/18 and the Internal Audit Charter for consideration and approval.

The Internal Audit Strategic Plan was an important element in providing the required independent and objective opinion to the organisation on its control environment, in fulfilment of statutory duties. The compilation of the Internal Audit Charter was a requirement of the Public Sector Internal Audit Standards.

The Internal Audit Strategic Plan 2015/16 to 2017/18, comprising the planned reviews over this period, was set out as Appendix 1 to the report.

The Audit Plan was organised using risk-based coverage, coverage for external audit reliance or to meet regulatory requirements and other internal audit coverage.

The audits set out in the first year of the plan, were carried out throughout the year with timings and start dates agreed with managers on individual audits, usually at the beginning of the year.

The report noted that two audits planned for previous years but needing to be carried forward again, had been brought forward to 2015/16 as priority audits for this year. These audits were for Equality and Diversity and Housing Stock Asset Management.

The Audit & Risk Manager presented the report and advised that all audits had been completed in the last year for which the team should be commended. He advised that audits could be carried forward as long as management were aware and endorsed that decision, as in the case of the two outstanding audits detailed at paragraph 9.7.

In response to questions relating to the Equality & Diversity audit, the interim Head of Human Resources advised that the County Council had been supporting the Council with our framework as a result of the staff changes the HR team had undergone. In addition, discussions had already taken place with the audit team about progressing with the work as a priority.

Members recognised that an audit of Plant Maintenance had not been completed since 2011/12 and hoped that there would be forthcoming co-operation from all departments.

Resolved that the Internal Audit Strategic Plan 2015/16 – 2017/18 and the Internal Audit Charter, are approved.

138. **Public and Press**

Resolved that under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item, by reason of the likely disclosure of exempt information within the relevant paragraphs of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

139. **Executive Agenda (Confidential Items & Reports) – Thursday 9 April 2015**

The Committee considered the following item which would be discussed at the meeting of the Executive on Wednesday 11 March 2015.

Item 10 – Payroll Review

The Finance & Audit Scrutiny Committee supported the recommendations in the report & noted the amended figure of £10,623 redundancy costs.

Members raised a concern that recommendation 2.2 was not clear, in the fact that the funding would only be approved if the redeployment process was unsuccessful. Members therefore recommended that additional wording be added to 2.2 as follows “.....subject to the individual not being matched into an alternative, suitable post”.

140. **Executive Agenda (Non Confidential Items & Reports) – Thursday 9 April 2015**

The Committee considered the following items which would be discussed at the meeting of the Executive on Thursday 9 April 2015.

Item 6 – Significant Business Risk Register

The Finance & Audit Scrutiny Committee supported the recommendations in the report but was concerned that the document was not as accurate as it could be. Members were assured by the Leader that an additional risk would be added to deal with Infrastructure funding, separately from the Local Plan risk.

The Leader, on behalf of himself and the Executive thanked all Members of Finance & Audit Scrutiny Committee for their sterling work in scrutinising effectively and assured them that their opinions were well respected by Members.

Item 4 – IT Provision for Councillors from May 2015

The Finance & Audit Scrutiny Committee discussed this item but were unable to question the report author. A number of issues were raised including existing trial users being unable to report back their experiences formally and the difficulties of juggling two agendas. However, there was also support for the project with a view that this was the way forward with new generations of Councillors.

141. **Comments from the Executive**

A report from Civic and Committee Services summarised the Executive's responses to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 11 March 2015.

Resolved that the contents of the report be noted.

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

The Committee considered its work programme for 2014/15 and the latest published version of the Forward Plan.

Resolved that the work programme for 2014/2015 be noted.

143. **End of Term Report**

The Committee considered the end of term report on the work the Committee had undertaken during the 2014/15 municipal year.

Under Article 6 of the Council's Constitution, Overview and Scrutiny Committees and Policy Committees were required to provide an end of term report to the Council on work they have undertaken during the year.

Appendix 1 to the report listed all of the items considered by the Finance & Audit Scrutiny Committee during 2014/15, which Members agreed was an extensive list.

Members noted that the report would be updated to include the items considered at the 8 April 2015 meeting prior to it being presented to Council.

Resolved that the report be noted.

Prior to the conclusion of the meeting, the Chairman took the opportunity to thank every member of the scrutiny committee for their due diligence in the past year, including all the Members who had substituted.

Councillor Barrott recognised the good work that the committee had done although some outcomes had been disappointing at times. Finally, Councillor Barrott thanked all officers involved in facilitating the meeting especially the lead officer, the Head of Finance.

(The meeting ended at 7.50 pm)