

FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 9 August 2011 at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillor Mrs Knight (Chair); Councillors Cross, Dagg, Edwards, MacKay, Pittarello, Pratt, Rhead, Mrs Sawdon, Mrs Tyrrell and Williams.

ALSO PRESENT: Councillor Mrs Grainger (Portfolio Holder for Corporate and Community Services) and Councillor Mobbs (Portfolio Holder for Finance).

33. DECLARATIONS OF INTEREST

Minute Number 36 – Executive Agenda (Confidential Items & Reports):
Item 10 Sydenham Sports Centre

Councillor Edwards declared a personal interest in Executive item 10 because the premises in question were in his ward.

Minute Number 38 – Treasury Management Activity Report for the Period 1 April 2011 to 30 June 2011

Councillor Williams declared a personal interest in the Treasury Management Activity Report item, due to having money invested in one of the banks in question.

Councillor Mrs Knight declared a personal interest because of ex officio attendance at Bath Place board meetings.

34. MINUTES

The minutes of the meeting held on 12 July 2011 were taken as read and signed by the Chair as a correct record.

35. 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 paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

36. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)

The Committee considered two confidential items which would be discussed at the meeting of the Executive on Wednesday 10 August 2011, those

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being agenda items 9 (Olympics 2012) and 10 (Sydenham Sports Centre). The Committee made recommendations to the Executive which are confidential by reason of the likely disclosure of exempt information within the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006. The recommendations are detailed in confidential minutes.

(Councillor Grainger joined the meeting during the course of this item.)

37. SCRUTINY OF PARTNERSHIPS – SHARED BUSINESS RATES SERVICE

The Committee considered a report from the Deputy Chief Executive (AJ) which highlighted two of the Council's key partnership arrangements. It encouraged Members to discuss, investigate and assess the success or otherwise of the respective partnerships over the preceding 12 months.

Looking specifically at the Shared Business Rates Service, the Committee was pleased to see that the partnership had been of benefit to both Councils, providing the resilience which Warwick District Council had sought from the partnership in the first place. Both partners had shown improvements in service delivery, particularly in terms of improved collection rates and direct debit take up, areas where Stratford Council had previously struggled with.

The Committee was very happy with the success enjoyed by the partnership to date and was keen to encourage the development of similar partnerships where there was clear benefit.

RESOLVED that the partnership arrangements in respect of the Business Rates Shared Service be noted.

38. TREASURY MANAGEMENT ACTIVITY REPORT FOR THE PERIOD 1 APRIL 2011 TO 30 JUNE 2011

The Committee received a report from Finance which detailed the Council's Treasury Management Performance for the period 1st April 2011 to 30th June 2011.

The Council's 2011/12 Treasury Management Strategy and Treasury Management Practices required the performance of the Treasury Management Function to be reported to Members on a quarterly basis.

RESOLVED that the contents of the report be noted.

39. 2010/11 ANNUAL TREASURY MANAGEMENT REPORT

The Committee considered a report from Finance that detailed the Council's Treasury Management performance for 2010/11, which was attached as Appendix A to the report.

The Committee was responsible for scrutinising the Council's Treasury Management activities and by law the Council was required to report on its performance by 30 September of each year.

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The report commented on the Council's actual performance against the forecast in the Strategy Plan, and also against the Council's Annual Investment Strategy.

The Principal Accountant responded to Members' questions and confirmed that it was a requirement of the Code of Practice to include all the information which had been presented to the Committee. He mentioned that a Treasury Management training session had been arranged to take place on 7 November which would explain further and also look at Councillors' responsibilities. Members were pleased to note that this Council continually out-performed its benchmarks and suggested officers should investigate whether there were other benchmarks, in order to keep them on their toes.

With regard to the bank rate, the Principal Accountant assured the Committee that the Council's core investments were secure, and went on to talk about cash flow and the potential effects of problems in the financial markets. He was asked to keep the Committee informed of any concerns.

Officers were thanked for their excellent work in respect of Treasury Management.

RESOLVED that

- (1) the Council's investment strategy be added to the risk register; and
- (2) the report be noted.

40. SCRUTINY OF PARTNERSHIPS – WARWICKSHIRE DIRECT PARTNERSHIP

The Committee considered a report from the Deputy Chief Executive (AJ) which highlighted two of the Council's key partnership arrangements. It encouraged Members to discuss, investigate and assess the success or otherwise of the respective partnerships over the preceding 12 months.

Looking specifically at the Warwickshire Direct Partnership, Members noted that there were different levels of commitment amongst partners, but that this was not an issue because some partners worked closer than others in different areas.

The Portfolio Holder and Head of Corporate and Community Services answered questions relating to the move of the contact centre, provision of a seamless service and Warwick District Council's relationship with the other partners, including details of the Memo of Understanding which had been signed by all partners in 2006. Members requested a copy of the Memo of Understanding, as the report made a number of references to it rather than include details which the Committee felt should have been included in the report.

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RESOLVED that the partnership arrangements in respect of the Warwickshire Direct Partnership be noted.

41. EXECUTIVE AGENDA (NON-CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 10 August 2011.

Item Number 6 – Future Funding for the Voluntary and Community Sector
The Committee noted that funding was not restricted to local charities and groups only, expressed some concern that there was no room for growth, but supported the recommendations in the report.

(Councillor Pittarello left the meeting during the course of this item and Councillor Mrs Grainger left at the conclusion of the item.)

Item Number 4 – Budget Monitoring to 30 June 2011

The Committee recommended to Executive that:

- (1) recommendation 2.6 be amended to read “unforeseeable demand”, rather than “legitimate demand”; and
- (2) Executive set up a working party to look at reducing car parking fees, particularly on quiet days, in order to stimulate the Town Centre economy.

In addition to concerns expressed over car parking charges, the Committee was unhappy about the costs of the Spa Centre and lack of progress in saving money. The Committee therefore requested a report from CMT to be submitted to the Committee’s 11 October meeting, and agreed that both car parking and the Spa Centre should be added to the significant risk register.

(Councillor Mobbs joined the meeting during the course of this item.)

Item Number 7A - The Local Government Boundary Commission for England Electoral Review

The Committee supported the recommendations in the report.

42. 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 paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

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43. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 10 August 2011.

Item Number 11 – Support Services Review

The Committee supported the recommendations in the report.

44. COMMENTS FROM THE EXECUTIVE

A report from Committee Services summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 10 August 2011.

Members noted and echoed concerns of the Overview and Scrutiny Committee over the way Scrutiny comments were considered by the Executive, and wanted assurance that their comments were taken seriously and given due weight.

RESOLVED that the contents of the report be noted.

45. FORWARD PLAN

The Committee considered a report from Members' Services informing them of the current Forward Plan, attached as an appendix to the report.

One of the five main roles of overview and scrutiny in local government was to undertake pre-decision scrutiny of Executive decisions. If the Committee had an interest in a future decision to be made by the Executive it was within the Committee's remit to feed into the process.

The Forward Plan detailed the future work programme for the Executive. If a non-executive member highlighted a decision which was to be taken by the Executive which they would like to be involved in, members could then provide useful background to the Committee when the report was submitted to the Executive and they were passing comment on it.

The Committee was pleased to see a report on the Forward Plan which would consider a proposal in respect of installation of Photovoltaic panels, and expressed a desire to see the business case at the appropriate time.

RESOLVED that there were no forthcoming Executive decisions which they wished to have an input into before the Executive make their decision, at present.

46. REVIEW OF THE WORK PROGRAMME

A report from Members' Services detailed the Committee's work programme for 2011/12.

The following changes to the work programme were agreed:

- A report on the Royal Spa Centre to be presented to the October meeting

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- The Risk Management Annual Report to be presented to the 13 September meeting
- The Effectiveness of Internal Audit Action Plan to be presented on 13 September
- An update report on the Olympics to be presented in November

Members were asked to confirm as soon as possible their attendance or otherwise for Internal Audit training on 17 October to the Audit and Risk Manager. The Committee noted that Procurement and Treasury Management training had been scheduled, and that Scrutiny training would be rescheduled shortly.

RESOLVED that the work plan for 2011/12 be noted.

(The meeting ended at 8.30 pm)