

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday 1 November 2016 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Quinney (Chair), Councillors; Barrott, Mrs Falp, Gifford, Illingworth, Murphy, and Thompson.

Also present: Councillor Mobbs.

At the start of the meeting the Chair of the Committee led a moments silence as a mark of respect for Councillor Rajinder Mann who had passed away in late September 2016.

58. **Apologies and Substitutes**

- (a) Apologies for absence were received from Councillor Gifford; and
- (b) Councillor Day substituted for Councillor Ashford.

59. **Declarations of Interest**

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Councillors Mrs Falp, Harrington and Rhead declared an interest in Item 4 - Review of Support to Parish & Town Councils because they were members of Councils who were in receipt of a concurrent services grant from Warwick District Council. All were permitted by the Chair, in line with the Code of Conduct, to address the Committee prior to leaving the meeting room for this part of the item.

60. **Minutes**

The minutes of the meetings held on 31 August, 20 September and 27 September 2016 and confidential minutes of 27 September 2016 were not presented for consideration.

61. **Procurement Progress update**

The Committee considered a report from Finance that set out the improvements achieved so far in relation to Procurement and the outcomes and effectiveness of the current action plan as detailed at Appendix one to the report.

Over the past 12 months the Procurement Team had supported various procurement projects that were detailed in Appendix Two to the report.

The National Procurement Strategy had identified four main themes and made recommendations for Councils to consider as part of their procurement procedures. These were Making Savings, Supporting Local Economies, Leadership and Modernisation.

A new Procurement Management Strategy 2017 / 2019 would be developed, and presented in March 2017, to align the Council's strategic

objectives with the National Procurement Strategy for Local Government 2014, and also incorporating new legislation and best practice.

In response to questions from the Committee, the Head of Finance recognised that the team was small and work was now underway to look at its longer term resilience. There was work underway to provide interim short term support for the Procurement Manager for when the Procurement Officer had left.

The Committee raised concerns about the number of contracts that remained unsigned and not secured within the deed store. Members asked that they be notified of these so that the relevant officers could be challenged about this by the Committee.

Resolved that the report be noted.

62. Review of Chief Executive's Office Risk Register

The Committee considered a report from the Chief Executive's Office that set out the current risk register for the service.

The Deputy Chief Executive and Monitoring Officer presented the report outlining the work that had been undertaken to refresh the risk register by the ICT Manager, HR Manager and Democratic Services Manager, including a peer review by SMT and the Insurance and Risk Officer. The new approach for providing clarification on risk management structure for the service had also been endorsed by the Audit & Risk Manager.

The three main risks for the service at this time were outlined in the report as Non-Availability of Staff, Inability to retain and subsequently recruit staff and Loss of Data or Data Integrity.

Resolved that the report be noted

63. Executive Agenda (Non-Confidential Items & Reports – Wednesday 2 November 2016)

Item 3 - Budget review to 30 September 2016

With regard to recommendation 2.1 in the report, the Scrutiny Committee made the following comments:

Car parking income – Whilst the Committee noted that the income expectation was prudent because of the variable nature of this service, which was dependent on a number of factors, it felt that this provided an example of where further work was required to provide more accurate forecasts of income.

The Committee had significant concern over the £25,000 additional expense for Racing Club Warwick because it did not believe that Members had been made aware of this additional expenditure, and therefore this sensitive subject matter, on which a final cost had previously been agreed, had avoided due consideration and scrutiny.

The Committee noted the investigatory work by Finance into the additional insurance cost of electrical vehicles and how this aspect had been missed

from either the business case or budgetary allocation of the agreed project costs.

The Committee noted the revised Appendix B1. However, this needed to be revised further to show the correct percentage level of expenditure.

The Committee asked if work was underway on income modelling as a result of population growth with regard to: (1) potential increases in income; and (2) additional demands for services (and associated costs of these).

The Committee also questioned the statement to Overview & Scrutiny Committee by Councillor Coker that "Income was 2% up on budget" for leisure centres, which was not verified by the figures in the budget report.

With regard to recommendation 2.2, the Committee asked for the detailed mitigation and/or reasons for the slippages with regards to the 2nd Warwick Sea Scouts and Castle Farm projects.

The Committee supported all the other recommendations in the report.

64. **National Fraud Initiative**

The Committee considered a report from Finance that detailed the outcomes from the Council's investigations into the data matches from the 2014-15 National Fraud Initiative (NFI) programme.

The NFI considered itself to be a major contributor to public sector counter-fraud activity and continually sought to expand its influence in both the public and private sectors. From Warwick District Council's perspective the contribution of NFI to counter fraud activity had always been marginal overall, but offered significant value as a source of independent assurance on the effectiveness the Council's preventative controls and as a deterrent against fraud.

The results from the 2014-15 NFI programme were discussed in Section 9 of the report.

Resolved that the report be noted.

65. **Comments from the Executive**

The Committee considered a report from Democratic Services which detailed the responses from the Executive to the comments the Committee made regarding the reports submitted to the Executive on 28 September 2016.

Resolved that the report be noted.

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

The Committee considered its Work Programme for 2016 and the Forward Plan.

Resolved that the Work Programme be amended to include an Update on the Infrastructure Delivery plan to its meeting on 7 February 2016.

67. **Executive Agenda (Non-Confidential Items & Reports – Wednesday 2 November 2016)**

Item 4 - Review of Support to Parish & Town Councils

The Committee thanked the Head of Finance for the clarification that this item would now be a part 1 agenda item and would be considered by Council on 16 November 2016.

In addition, it appreciated the addition to recommendation 2.1 to include, at the end, "thereby ending the concurrent services scheme".

The Committee recommended to the Executive that:

With regards to recommendations 2.1 and 2.2, the proposal from WALC should be followed; Concurrent Services should be phased out over three years and Council Tax support should be phased out over four years. This would provide the Parish/Town Councils time to build these changes into their budgets at a more sustainable rate.

(The meeting ended at 8.41 pm)