

FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 7 August 2012 at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillor Mrs Knight (Chair): Councillors Barrott, Cross, Illingworth, MacKay, Mrs Mellor, Pittarello, Rhead, Mrs Sawdon, Syson and Williams.

ALSO PRESENT: Councillors Coker and Mobbs (Portfolio Holders).

Apologies for absence were received from Councillors Dagg and Mrs Syson.

46. **SUBSTITUTES**

Councillor Rhead substituted for Councillor Dagg and Councillor Illingworth for Councillor Pratt.

47. **DECLARATIONS OF INTEREST**

Minute 54 – Executive Agenda (Non Confidential Items and Reports) – Executive Item 4 – Technical Reform of Council Tax

Councillor Syson declared a personal and prejudicial interest because she owned a second home. She left the room whilst the item was discussed.

48. **MINUTES**

The minutes of the meeting held on 10 July 2012 were taken as read and signed by the Chair as a correct record.

49. **2011/12 ANNUAL TREASURY MANAGEMENT REPORT**

The Committee received a report from Finance which detailed the Council's Treasury Management Performance for 2011/12 and this was attached as an appendix to the report.

In accordance with the Code of Practice for Treasury Management, the Council had an obligation to report the year's activities no later than 30 September 2012, directly to the Finance and Audit Committee because it fell within their remit to scrutinise.

The report reminded Members that Treasury Management had a potentially significant impact on the Council's budget through its ability to maximise investment interest income and minimise borrowing interest payable. Many of the Council's services were funded from the interest received on such investments and further details of this were included in paragraph 11.9 of the report.

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The Head of Finance, Mike Snow, introduced the report and explained that normally this report would have been received on a quarterly basis but this report outlined the Council's overall position for the year.

Members were advised that the Council was using a new firm of brokers who were assisting officers to look more broadly at different investments covering a wider range of commodities. Officers were aware that it was imperative to minimise any financial risk in the current economic climate.

RESOLVED that the report be noted.

50. REVIEW OF RURAL / URBAN CAPITAL IMPROVEMENT SCHEME

This item was withdrawn by officers following agreement from the Chair, Councillor Mrs Knight.

51. 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 11 July 2012.

RESOLVED that the contents of the report be noted.

52. FORWARD PLAN

The Committee considered a report from Civic and Committee 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.

Members were satisfied that pre-decision scrutiny played a much larger part at the Council than at many other Local Authorities.

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

53. REVIEW OF THE WORK PROGRAMME

A report from Civic and Committee Services detailed the Committee's work programme for 2012/13.

The Committee were mindful that the report detailed for this agenda regarding the Review of Rural / Urban Capital Improvement Scheme would

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most likely be planned in for the October meeting, following its withdrawal from the agenda for the August meeting.

The Chair, Councillor Mrs Knight, suggested that it may be pertinent to bring forward the scrutiny of Portfolio Holder areas and the risks relevant to their area, when the Committee were likely to encounter a lighter agenda than normal.

Civic and Committee Services agreed to liaise with officers to organise invitations around other reports that were due for submission.

RESOLVED that

- (1) the work plan for 2012/13 be noted; and
- (2) the Review of Rural / Urban Capital Improvement Scheme be moved to the October meeting.

54. 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 8 August 2012.

Item Number 4 – Technical Reform of Council Tax

The Portfolio Holder for Finance, Councillor Mobbs and the Head of Finance, Mike Snow, introduced the report and highlighted that one of the main aims of this reform was to encourage empty properties back into use more quickly than at present.

Queries were raised regarding the administration of the scheme and whether this would incur additional costs but officers were confident that the increase was not significant and could be absorbed within existing resources.

Specific concerns were raised regarding 'Type C' exemptions and members were advised that the Council were awaiting further advice as to whether the first six month period could be split and the amount varied, which in turn would discourage properties being empty for long periods of time.

The Committee supported the recommendations in the report and Members agreed to continue to work with the Portfolio Holder and Head of Finance to ensure the most financially viable outcome for dealing with empty properties.

(Councillor Syson was not present for this item and was invited back into the meeting at the conclusion of the discussions)

Item Number 6 – Broadband UK

The Deputy Chief Executive, Andrew Jones, presented the report and advised that the Government's aim was to increase the provision of

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broadband. He stated that the private investment could not be guaranteed and there may be a need to top up the Capital Investment Reserve.

Members had concerns as to how this money would be spent and hoped that residential areas and areas of need would be targeted rather than commercial ones.

Andrew Jones agreed to try and provide clarity on some of the detail in the report due to its size and the fact that some councillors had been unable to access the web link detailed in the report.

The Committee supported the recommendations in the report but recognised that further clarity was needed on the proposals to ensure that the areas in need of better broadband connection in Warwick District would be covered.

Item Number 9 – Budget Review to 30 June 2012

The Head of Finance, Mike Snow, introduced the report and provided Members with a hand-out that detailed the movement in General Fund surplus/shortfall.

Members accepted that some situations arose unforeseen but were satisfied that these had been handled correctly as long as due process was followed and the risks continually monitored.

The Committee supported the recommendations in the report but had concerns that the balance on the Equipment Renewal Schedule remained over subscribed. They therefore requested assurance that this would be closely monitored by all Portfolio Holders to include removal of any non-essential costs.

Item Number 10 – Consultation on Council Tax Support

The Committee supported the recommendations in the report.

55. 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 items, by reason of the likely disclosure of exempt information within paragraphs 1 and 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

56. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 8 August 2012.

Item Number 13 – Cultural Services Intervention - Redundancy

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The Deputy Chief Executive, Andrew Jones, introduced the report and explained that the intervention into Cultural Services was being approached in two separate phases. He advised that there was a proposed restructure of the management team and a redesign of the leisure programme.

The Committee supported the recommendations in the report and were encouraged that for nearly all the individuals involved in this intervention, the job matching process had been successful.

Item Number 14 – Leek Wootton Community Woodland

The Deputy Chief Executive introduced the report and outlined the benefits which were detailed in paragraph 3.5 of the report.

The Committee supported the recommendations in the report and were reassured that the Parish Council had some positive ideas to encourage the use of the Woodland for residents and visitors to Warwick District.

Item Number 15 – Working with Bowls England

The Committee recognised the benefits that this organisation could bring to the District and Members highlighted the positive work that had taken place to the greens already alongside the success of the Women's Championships in previous years.

The Committee supported the recommendations in the report and were encouraged that this would have a positive effect on the local economy.

(The meeting ended at 7.40 pm)