

FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 14 July 2009, at The Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillors Malcolm Doody, Edwards, Illingworth, Mrs Knight, MacKay, Pittarello and Rhead.

ALSO PRESENT: Councillor Mobbs.

Apologies for absence were received from Councillors Guest, Mrs Tyrrell and Vincett.

25. **DECLARATIONS OF INTEREST**

Minute number xx – Executive Confidential Items – Item 19 – Kenilworth Public Service Centre/Sale of Wilton House

Councillor Illingworth declared a personal and prejudicial interest because he was a Kenilworth Town Councillor and left the room while the item was discussed.

26. **MINUTES**

The minutes of the meeting held on 9 June 2009 having been circulated were taken as read and signed by the Chairman as a correct record.

27. **BENEFIT FRAUD INVESTIGATION – PERFORMANCE AND COSTS**

The Committee considered a report from Finance advising them of the performance of the Benefit Fraud Investigation Section for 2008/09.

The role of the Benefit Fraud Investigation Section was to investigate suspected benefit fraud with a view to identifying such fraud and thereby prevent its continuation. The presence of the Section would also have a deterrent effect for those people considering benefit fraud.

Performance for the year 2008/09, 85 sanctions were issued comprising 2 prosecutions, 31 formal cautions and 52 administrative penalties. Income earned from administrative penalties amounted to £26,184.

Overpayments identified during the year amounted to £157,970 comprising £120,399 in housing benefit and £37,571 in council tax benefit. Income earned from overpayment subsidy therefore amounted to £63,188. When added to the income earned from administrative penalties, a total of £89,372 had been earned by the Section for the year. This year's results, together with comparative data, was summarised in appendix 1 to the report.

The number of sanctions obtained had decreased due to the absence for almost the whole year of the Benefit Fraud Investigation Manager and the

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vacancy for much of the year of the half-time Benefit Fraud Investigator post. This post was filled in October 2008 whilst the Benefit Fraud Investigation Manager's absence has been filled on a temporary basis since February of this year. In the circumstances, therefore, performance has been very high. In fact, due to a policy of concentrating more on higher-value cases of fraud, the total value of overpayments identified is comparable to the previous year. Thus the income earned by the Section is comparable also.

RESOLVED that the report be noted and its contents be accepted.

28. ASSET MANAGEMENT UPDATE

The Committee considered a report from Economic Development and Regeneration to update them on the progress of the Asset Management Plan and the key principles and challenges that the plan has highlighted over the period 2009 – 2010.

The full Asset management Plan (2009 -2010) was in the final consultation phase with members of the Asset Management Steering Group (AMSG) and will be the subject of a report to Executive in August 2009.

The Asset Management Plan established key principles which would guide the management of the Council's assets over the coming year (2009 – 2010). It was considered to be appropriate that the Finance and Audit Scrutiny Committee are made aware of these principles and comment on them prior to the Asset Management Plan (AMP) progressing to the Executive.

Key Principles which would Guide Asset Management over the next year were set out in the report.

The AMP identified the key challenges for the Council's management of assets in the coming year 2009 – 2010. It was considered appropriate that the Finance and Audit Scrutiny Committee were aware of the challenges and had an opportunity to comment on them prior to the AMP progressing to the Executive. The report also listed Key Challenges facing the Council in managing its assets in the coming year.

A key action coming from the AMP was that a more strategic approach to the management of the Council's assets. An asset management strategy would be prepared that considered the longer term use of the Council's assets over a timeframe in line with the Local Development Framework (i.e. 2026). This would enable the Council to develop a more effective and efficient asset management structure which delivered the strategic objectives of the Council.

RESOLVED that

- (1) a report and the Asset Management Plan (2009 – 2010) will be considered by the Executive on 26 August 2009, be noted;

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- (2) the key challenges facing the Council in managing its assets in the coming year 2009 -2010, be noted.

29. PROCUREMENT STRATEGY AND ACTION PLAN UPDATE

The Committee considered a report from Finance which updated members on the progress on procurement over the past financial year 2008-2009.

The Procurement Manager had been in post since August 2007 and had actively been working on education, tendering, contract documentation, contract compliance, efficiencies and cost savings.

The Procurement Action Plan 2007-2010, attached as Appendix A to the report was now mid-way through the action points.

RESOLVED that

- (1) the advances in procurement be noted and congratulations be passed to the Procurement Manager; and
- (2) the progress on the Procurement Action Plan be noted.

30. COMMENTS FROM THE EXECUTIVE

The Committee considered a report from Members' Services which summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 10 June 2009.

The report was produced to create a dialogue between the Executive and the Finance & Audit Scrutiny Committee, ensuring that the Scrutiny Committee was formally made aware of the Executive's responses. The same arrangement applied previously to the Executive and the Audit & Resources Scrutiny Committee.

As part of the new scrutiny process, the Committee no longer considered all items on the Executive agenda. The Committee advise which Executive items they wish the Scrutiny Committee to pass comment on, and the reasons why and as a result, at its meeting on 9 June 2009, Finance & Audit Scrutiny Committee considered the items detailed in appendix 1 to the report. The Executive's response to the Committee's comments was also shown within the appendix to the report.

RESOLVED that the responses made by the Executive, be noted.

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31. FORWARD PLAN

The Committee considered a report from Members' Services which informed the Members of the current Forward Plan which was attached at appendix 1 to the report.

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

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

RESOLVED that

- (1) the content of the Forward Plan be noted; and
- (2) the Committee considered any Executive decisions to be made which they wished to have an input into before the Executive were to make a decision. However, no items were chosen at this meeting.

32. REVIEW OF THE WORK PROGRAMME

The Committee considered a report from Members' Services that detailed their work programme for the year.

RESOLVED that the work programme be approved subject to the addition of a Procurement Working Party report and a report on Pensions followed by a presentation for the August meeting of this Committee.

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

The Committee considered the following items which would be discussed at the meeting of the Executive on Wednesday 10 June 2009.

Item Number 6 - Financial Projections and Budget Prospects

The Finance & Audit Scrutiny Committee supported the recommendations, although they suggested that 2.3 of the recommendations should include that *all* service areas should be seen to be reducing not only high cost services but looking to reduce costs of *all* services within their remit.

Item Number 7 - Finance Monitoring 2009/10 to 31st May 2009

The Finance & Audit Scrutiny Committee supported the recommendations

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Item Number 8 - Risk Management Progress Report

The Finance & Audit Scrutiny Committee supported the recommendations. However, they raised concern about number of 'no responses' on the table detailed on pages 115 and 116 and asked that a verbal report back be submitted when this had been looked into.

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

35. INTEGRATED WASTE CONTRACT UPDATE

The Committee considered a report from Neighbourhood Services regarding the ongoing discussions about the integrated waste contract conditions.

The Integrated Waste Contract had been in operation since the 31 March 2008, although, to date, the contract had not formally been signed. This was due to a number of issues between the Council and SITA, which had been discussed over the past 12 months.

Letters had been exchanged between the Council and SITA to try and resolve these issues, which related mainly to the Standard Contract Conditions. However there were still some points that required further discussion, therefore a meeting with SITA and their legal representatives had been arranged for week commencing 13 July 2009.

SITA had also raised several operational issues that they wished to discuss, which although separate to the signing of the contract, would also be discussed at the meeting arranged for week commencing the 13 July.

The committee raised various concerns that it was taking a very long time to get the contract signed. Councillors Pittarello and Rhead requested that a copy of the agenda for the meeting week commencing 13 July be sent to them and also a copy of the contract so that they could make comments directly to Robert Hoof.

RESOLVED that Officers complete the signing of the Waste contract with SITA as soon as practicably possible and liaise with Councillors Pittarello and Rhead to help expedite the matter.

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36. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 15 July 2009.

Item Number 17 – Spencer Yard

The Finance & Audit Scrutiny Committee supported the recommendations.

Item Number 18 – Tender for Operation of Mini Golf – St Nicholas Park

The Finance & Audit Scrutiny Committee supported the recommendations.

Item Number 19 - Kenilworth Public Service Centre/Sale of Wilton House

The Finance & Audit Scrutiny Committee supported the recommendations and asked that the business case mentioned in 2.5 of the recommendation be encouraged and developed.

URGENT ITEM: Fees for Legal Case – Warwick Castle

The Finance & Audit Scrutiny Committee supported the recommendations.

(The meeting ended at 8.30pm)