



Title	Comments from the Executive
For further information about this report please contact	Graham Leach Democratic Services Manager & Deputy Monitoring Officer 01926 456114 committee@warwickdc.gov.uk
Service Area	Civic & Committee Services
Wards of the District directly affected	n/a
Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006	No
Date and meeting when issue was last considered and relevant minute number	n/a
Background Papers	

Contrary to the policy framework:	No
Contrary to the budgetary framework:	No
Key Decision?	No
Included within the Forward Plan? (If yes include reference number)	No

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Deputy Chief Executive		
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		
Portfolio Holders		

Consultation Undertaken	
n/a	
Final Decision?	Yes
Suggested next steps (if not final decision please set out below)	

1. Summary

- 1.1 This report summarises the Executive's response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 2 September 2016.

2. Recommendation

- 2.1 That the responses made by the Executive be noted, as set out in Appendix 1 to the report.

3. Reasons for the Recommendation

- 3.1 This report is produced to create a dialogue between the Executive and the Finance & Audit Scrutiny Committee, ensuring that the Scrutiny Committee is formally made aware of the Executive's responses.

4. Alternative Options Considered

- 4.1 The Committee receives and notes the minutes of the Executive instead.

5. Budgetary Framework

- 5.1 There is no impact on the budgetary framework. This is for the Committee's information only.

6. Policy Framework

- 6.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

7. Background

- 7.1 As part of the scrutiny process, the Committee no longer considers the whole of the Executive agenda.
- 7.2 Councillors are emailed at the time of the publication of the Executive and Scrutiny Committee agendas, asking them to contact Committee Services by 9.00 am on the day of the Scrutiny Committee, to advise which Executive items they wish the Scrutiny Committee to pass comment on and the reasons why.
- 7.3 As a result, at its meeting on 1 November 2016, the Finance & Audit Scrutiny Committee considered the items detailed in the appendices. The responses which the Executive gave are also shown.

Responses from the meeting of the Executive held on 2 November 2016 to the Finance and Audit Scrutiny Committee's comments

Item no	3	Title	Budget review to 30 September 2016
Scrutiny Comment		<p>With regard to recommendation 2.1 in the report, the Scrutiny Committee made the following comments:</p> <p>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, they felt that this provided an example of where further work was required to provide more accurate forecasts of income.</p> <p>The Committee had significant concern over the £25,000 additional expense for Racing Club Warwick because they 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.</p> <p>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.</p> <p>The Committee noted the revised Appendix B1. However, this needed to be revised further to show the correct percentage level of expenditure.</p> <p>The Committee asked if work was under way 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)</p> <p>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.</p> <p>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.</p> <p>The Committee supported all the other recommendations in the report.</p>	
Executive Response		<p>The Executive received detailed responses from officers to the questions raised by the Finance & Audit Scrutiny Committee.</p> <p>In response to the questions regarding Racing Club Warwick it was explained that:</p> <ol style="list-style-type: none"> 1. Being unable to carry out the works as originally planned, owing to the need to get legal agreements in place which had 	

taken far longer than anticipated, resulting in a delay of nine months from the original date of authorisation. The works had then been then affected by the impact of other works on an overlapping scheme being undertaken at the same time. This included having to:

- Undertake additional tarmac and preparation works due to changing rooms being moved further away from the main club house.
- Clear additional land from within the Racecourse.
- Excavate and provide foundations for new changing rooms.
- Undertake additional drainage works due to the new location and size of changing rooms.

2. The extra cost associated with each and every building being filled with rubbish and waste unaccounted or unable to be viewed prior to the works starting, including underneath units and behind units within overgrowth.

3. Having to undertake additional works to re-build and adapt the electrical intake room as the original was found to be unsuitable upon demolition of the adjoining timber building.

4. Scheme variation - Additional fencing was required to enclose the large piece of grassland earmarked for the 'MUGGA' together with a new 3.6m wide double gate allowing direct access to the 'MUGGA' area from within the car park."

With regard to the electric car insurance provision, investigations had showed that there was budgetary provision for this, was being corrected.

With regard to population growth and the challenge that this would bring, a cautious approach had to be taken within the MTFs, with changes factored in where appropriate.

With regard to the statement from Councillor Coker to Overview & Scrutiny Committee, it was noted that the 2% overachievement on income was for 2015/16, not for the current year, whereas presumably the £200k in the Budget report was the figure for the current year.

With regard to the Sea Scouts and Castle Farm, the Sea Scouts were struggling to raise funding despite intensive efforts, the timescale had been extended; and the drainage works at Castle Farm had slipped in light of the ongoing dialogue with Kenilworth Wardens. Therefore, it made sense to wait to do any improvements until the Council had confirmed the way forward with Wardens.

In addition, to this revised Appendices B1 and B2 to the report were circulated at the meeting which set out the correct level of spend, as a percentage, on earmarked reserves.

Item no	4	Title	Review of Support to Parish & Town Councils
Scrutiny Comment		<p>The Scrutiny 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.</p> <p>In addition, they appreciated the addition to recommendation 2.1 to include, at the end, "thereby ending the concurrent services scheme".</p> <p>The Finance & Audit Scrutiny Committee recommended to the Executive that:</p> <p>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.</p>	
Executive Response		<p>The Head of Finance provided verbal clarification regarding the information circulated by Whitnash Town Council. The Executive thanked the Head of Finance for this and asked that it be circulated to all Councillors ahead of the Council meeting.</p> <p>Resolved that the proposal from the Finance & Audit Scrutiny Committee could not be accepted because:</p> <ol style="list-style-type: none"> (1) of the additional financial requirements that this would place on Warwick District Council; (2) the actual precept increases for tax payers would be small in actual value compared to the percentage increase; (3) the parish/town Councils could, in line with the District Council, look to reduce their costs to support these changes; and (4) some councils had already planned for these changes and therefore why should this Council continue to fund those councils who had not taken these steps? 	