

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday, 1 July 2014 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Barrott (Chair): Councillors Heath, Mrs Knight, Mrs Mellor, Pittarello, Pratt, Mrs Syson and Williams.

Also Present: Councillors Cross and Mobbs (Portfolio Holders).

Apologies for absence were received from Councillors Mrs Bunker, MacKay and Rhead.

19. **Substitutes**

Councillor Heath substituted for Councillor MacKay.

20. **Declarations of Interest**

Minute 25 – Executive Agenda (Confidential Items & Reports) – Executive item 8 – Refurbishment of 4 Jury Street, Warwick

Shortly before the Committee considered this item, Councillor Mrs Mellor realised that she might have an interest and therefore declared that she was a member of Warwick Town Council.

Minute 25 – Executive Agenda (Confidential Items & Reports) – Executive item 9 – Land off Radford Road, Royal Leamington Spa

The Chair declared an interest because the item related to his ward.

21. **Review of Democratic Services Risk Register**

The Committee received a report from Finance which set out the process for review of the Democratic Services Risk Register.

The report set out the three main risks currently affecting the service, and these were considered to be: insufficient resources to deliver service; balance of team plan requirements and external demands; and elections 2015.

The Democratic Services Manager explained the reasons why the 2015 elections were currently rated as such a high risk. It would be the biggest election the Council had ever managed, with Parliamentary constituency, District and Parish and Town Council elections occurring at the same time. Public interest was expected to be high, but there were other risks to be considered including resources, a larger count venue, security and more. Members noted that the risk rating was expected to drop as election planning progressed and that monthly project meetings would commence

in two weeks time with the involvement of the Chief Executive, the Democratic Services Manager and the Electoral Services Manager.

The Committee was concerned by another risk addressed in the report, that of private and confidential documents making their way into public hands. The Portfolio Holder explained that the report painted a worst case scenario, but nevertheless that the risk had increased over the past 12 months, that there was the potential for severe risk to the Council's reputation and that while loss of data was the trigger, publication of the same was the risk itself. He, as Leader of the Council, and the Chief Executive, were involved in mitigating risks and sought any recommendations from Councillors as to how to address this issue. One Member suggested that if sensitive documents were only available online, in a read-only format which required a log-in to gain access, then the source of any leaks could be narrowed down significantly and that this might be a solution in the medium term.

The Chair expressed concern over insufficient resources both in terms of the 2015 elections and also Democratic Services, and requested action plans to demonstrate what was being done to address this. Members suggested that inadequate staff resource was becoming a theme across the authority in general and that there was a need to plan around resource issues in order to pinpoint and address areas of concern. The Democratic Services Manager added that, in addition to the elections, the Service had a number of other key projects to deliver, such as the iPad trial for Members. Combined with an increase in the number of Freedom of Information requests, additional meetings, the level of demand for complaints and other work, there was a need to balance the team plan against ad hoc demands. However, CMT had recognised there was a resource issue with the appointment of an additional member of staff for 12 months.

The Committee noted that Review of Data Protection, Freedom of Information, EIR policy and process had been given a high risk rating. The Democratic Services Manager responded that work was coming forward on Data Protection and Freedom of Information, with training for service representatives kicking off imminently. Members noted that a reference in the report to the FOI working party should have been deleted as this working party no longer existed.

The Portfolio Holder and Democratic Services Manager were thanked for their report.

Resolved that the report be noted and its contents accepted.

(Councillor Mobbs left the meeting at the conclusion of this item.)

22. **Anti Fraud and Corruption Progress Report**

The Committee considered a report from the Senior Internal Auditor which detailed progress against the 2013/2014 action plan and presented the 2014/15 action plan for approval.

The Audit and Risk Manager presented the report to the Committee. The Council had in place an Anti Fraud and Corruption Strategy that was reviewed annually. At the last review Members had requested a fuller report, which was now before the Committee. The report included two action plans providing assurance on what was being done to mitigate fraud, one being a record of work carried out over the past year and the other looking to the coming year. Keeping the strategy under review, together with the preparation and completion of an action plan, played a part in improving the control environment, raising awareness on fraud and corruption matters and the prevention and detection of fraud and corruption.

Some dissatisfaction was expressed over a lack of action by the District Auditor in providing the Police with a report in respect of an ongoing inquiry relating to the Sea Cadets and Racing Club Warwick. The Audit and Risk Manager responded by saying that the District Auditor had agreed to do this once certain issues had been settled, and he believed that some sort of agreement had been reached between parties only yesterday. Officers agreed to investigate further and then report back to Members.

The Audit and Risk Manager responded to questions on points of detail about the Strategy, confirming how staff would be expected to respond as members of professional bodies. He clarified that he would expect the standards of such bodies to be complimentary to the Council's Code of Conduct. In response to a question concerning the "Don't turn a blind eye" leaflet, he stated that there was not a current version of this leaflet, but once a new one had been produced it would be presented to Members.

The Committee was pleased to note that there had been no instances of fraud within the last 12 months and thanked Internal Audit for the report.

Resolved that

- (1) the report and the progress made in implementing the action plan for 2013/2014 be noted; and
- (2) the action plan for 2014/2015 be approved.

23. **Executive Agenda (Non-Confidential Items & Reports) – Wednesday 2 July 2014**

The Committee considered the following item which would be discussed at the meeting of the Executive on Wednesday 2 July 2014.

Item 4 – Service Area Plan/FFF Performance 2013/2014

The Committee broadly supported the recommendations in the report but had some concerns about the Finance Service Area Plan and that the report did not set out steps being taken to meet savings which the Council had to achieve as part of the Fit for the Future programme. With regards to the Finance Service Area Plan, the Committee was extremely concerned that a lack of resources had contributed to an increase in the number of days it was taking to reply to correspondence regarding council tax. The Portfolio Holder and Head of Finance did outline the reasons for this, but also emphasised the need to review staff resources moving forward. Additionally, with regard to the overall Financial Efficiencies, it was noted that while Cultural Services had met its savings target for 2013/14, there was no guarantee that this level of income could be found year on year. It was also noted that there were other savings which the Council still had to achieve in coming years and yet the report had not identified any actions as to how this could be done. Members did note that a detailed report including financial projections was due before the end of July.

The report raised other issues which concerned Members, including a lack of Warwick residents being involved in the "Sky Blues Community Project", the fact that a £5 charge was being made and also that the Warwick Folk Festival had talked about pulling out next year because of the lack of involvement from Warwick District Council. While the Portfolio Holder and officers had responded to these points, the Committee remained concerned about them.

(Councillors Cross and Pratt left the meeting at the conclusion of this item.)

Item 5 – Creation of Digital Gaming Hub at 26 Hamilton Terrace, Royal Leamington Spa

The Committee fully supported the recommendations in the report. Members were pleased to hear that the contract from the LEP had been received and urged that the project be started as soon as practically possible.

Urgent Item – Bowls 2014 Additional Marketing

The Committee supported the recommendations in the report but with some reservations. The Committee was extremely disappointed with the lateness of this report and that the issues it addressed had not been considered earlier. Members expressed some dissatisfaction with the breakdown of costs for the items required and were concerned at how quickly the procurement process had been followed given the lateness of the request for the report.

The Committee felt that it had been presented with a number of piecemeal reports concerning the bowls event and requested that when the review of the event was concluded, Members be presented with the report in order to establish what lessons could be learned going forward.

24. **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 paragraphs 1, 3 and 7 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

The full text of Minute 25 was recorded in a confidential minute which was to be considered for publication following implementation of the relevant decisions. However, a summary is as follows:

25. **Executive Agenda (Confidential Items & Reports) – Wednesday 2 July 2014**

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 2 July 2014.

(At this point in proceedings, Councillor Mrs Mellor declared an interest in the following item as a member of Warwick Town Council.)

Item 8 – Refurbishment of 4 Jury Street, Warwick

The Committee fully supported the recommendations in the report.

Item 9 – Land off Radford Road, Royal Leamington Spa

The Committee agreed with the recommendations in principle and made a number of observations.

26. **Comments from the Executive**

A report from Civic and Committee Services summarised the Executive's responses to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 11 June 2014.

Resolved that the contents of the report be noted.

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

The Committee considered its work programme for 2014/15 and the latest published version of the Forward Plan.

Members asked that the bowling review be added to its work programme, provisionally for November 2014, by which time the review was expected to have been completed.

With regard to the Forward Plan, the Committee requested that the Evening Economy report, originally due to be presented to the Executive in September 2013, be given a new date for the report to come forward.

Resolved that

- (1) the work programme for 2014/2015 be noted;
and
- (2) at present, there were no forthcoming Executive decisions which Members wished to have an input into before the Executive make their decision.

(The meeting ended at 8.02 pm)