

# FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 14 February 2012 at the Town Hall, Royal Leamington Spa at 6.00pm.

**PRESENT:** Councillor Mrs Knight (Chair): Councillors Cross, Dagg, Edwards, Illingworth, MacKay, Pratt, Mrs Syson, Williams and Wreford-Bush.

ALSO PRESENT: Councillors Mobbs (Portfolio Holder for Finance).

Apologies for absence were received from Councillors Pittarello, Rhead and Mrs Sawdon.

## 115. SUBSTITUTES

Councillor Illingworth substituted for Councillor Rhead and Councillor Wreford-Bush substituted for Councillor Pittarello.

## 116. DECLARATIONS OF INTEREST

Councillors Illingworth and Williams did not declare interests, but pointed out that play areas referred to in the Executive 'Play Area Review' report were in their respective wards.

## 117. MINUTES

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

## 118. 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 January 2012.

**RESOLVED** that the contents of the report be noted.

## 119. FORWARD PLAN

The Committee considered a report from Members' 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

## **FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)**

provide useful background to the Committee when the report was submitted to the Executive and they were passing comment on it.

Members noted that an asset management report should be coming forward in March.

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

### **120. REVIEW OF THE WORK PROGRAMME**

A report from Members' Services detailed the Committee's work programme for 2011/12.

The Chair reported that at a Scrutiny Chairs meeting held on 7 February it was suggested that the Scrutiny Committees should start looking at various aspects of the Fit for the Future programme in more detail. The Chair therefore asked Councillors Edwards, Pittarello and Rhead to do this initially, on behalf of the Committee, with the Chair's involvement.

**RESOLVED** that the work plan for 2011/12 be noted.

### **121. TREASURY MANAGEMENT ACTIVITY REPORT FOR THE PERIOD 1<sup>st</sup> OCTOBER 2011 TO 31<sup>st</sup> DECEMBER 2011**

The Head of Finance presented a report to the Committee detailing the Council's Treasury Management Performance for the period 1<sup>st</sup> October to 31<sup>st</sup> December 2011.

The Council's 2011/12 Treasury Management Strategy and Treasury Management Practices (TMP's) required the performance of the Treasury Management function to be reported to Members on a quarterly basis.

The Principal Accountant presented the report and highlighted key points. He also asked the Committee to consider whether it still wished to receive a Treasury Management report each quarter or less frequently.

The Committee thanked Treasury Management staff for yet another excellent performance.

**RESOLVED** that

- (1) the report be noted; and
- (2) the Committee receive reports every six months, initially for a trial period, with earlier reports in the event that Treasury Management was not on track to achieve its benchmark.

### **122. EXECUTIVE AGENDA (NON-CONFIDENTIAL ITEMS & REPORTS)**

## **FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)**

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 15 February 2012.

### **Item Number 6 – Treasury Management Strategy Plan for 2012/2013**

The Committee confirmed the move from quarterly performance reporting to bi-annual reporting, as per recommendation 2.1(b), and supported the recommendations in the report. Members were impressed by the continuing high performance of Treasury Management.

### **Item Number 5 – Budget 2012/13 and Council Tax – Revenue & Capital**

The Committee recognised that there was little the Council could do about a number of the issues it faced other than maintain an awareness of them. Concern was expressed that the current list of equipment renewals was greater than the reserve itself. Members agreed to maintain a watching brief on the reserves and balances set out in Section 11 (appendix 5) as per recommendation 2.20 and supported the remainder of the recommendations, with the exception of recommendation 2.17, which the Committee felt it could not support without a business case being made.

While there was general support for a Local Pay Agreement, the Committee did not want to see this method become the norm year on year. Members felt the proposal was rather crude, but recognised its worth as a means of incentivising the Council to achieve necessary savings. However, the Committee did not want to see staff pay rises become performance related.

The Deputy Chief Executive (AJ) agreed to confirm whether or not there was a deadline relating to the housing association element of the Housing Investment Programme, as Members did not want to see the Council lose funding for potential projects.

Officers also agreed to clarify proposals for delivering outputs in relation to the Community Enterprise Officer contract, because the Committee was keen to ensure that the Council continued to receive best value.

The Committee stressed that future costs for HS2 campaigning should go through clear processing of a financial case.

(Councillor Pratt left the meeting during the course of this item and Councillor Mobbs left at the conclusion of the item.)

### **Item Number 7 – Housing Revenue Account Budget 2012/13 and Housing Rents**

The Committee supported the recommendations in the report, recognising that the increase was based on a formula set by central government. Nevertheless, Members noted one strong objection to increasing housing dwelling rents by 8.39%.

### **Item Number 8 – Approval of Heating, Lighting and Water Charges 2012/13 – Council Tenants**

The Committee supported the recommendations in the report.

### **Item Number 11 – 2012/13 Corporate Repairs and Improvements Programme**

## **FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)**

The Committee supported the recommendations in the report.

### **Item Number 9 – Members’ Allowances Scheme**

The Committee noted the findings and recommendations of the Independent Remuneration Panel. However, while some members felt that the recommendations were acceptable, others questioned a number of the findings, including those relating to special responsibility allowances, provision of refreshments before and at committee meetings, broadband costs and mobile phone and smart phones for Councillors. There was no consensus view on these issues, other than their being contentious. A number of members expressed a desire not to see the proposed scheme implemented, as it appeared morally unacceptable for members to receive a greater increase than staff in the present climate and would send out the wrong message to both staff and the public, regardless of whether or not members accepted the increase. Members wished to see further justification from the Panel for the proposed increases.

### **Item Number 12a – Play Area Review**

The Committee supported the recommendations in the report.

(The meeting ended at 8.00 pm)