

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Wednesday 13 April 2022 in the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillors: Ashford, Barton, R Dickson, Jacques, Kennedy, Illingworth, Luckhurst, Mangat, Murphy, Syson and Tracey.

Also present: Councillor Day (Leader of the Council) and Councillor Hales (Portfolio Holder for Transformation/Resources).

86. **Appointment of Chair**

It was proposed by Councillor Dickson, seconded by Councillor Luckhurst and

Resolved that Councillor Syson be appointed as Chair for the 13 April 2022 meeting.

The Chair paid tribute to Councillor Nicholls who had passed away following a tragic accident and led a minute's silence as a mark of respect.

87. **Apologies and Substitutes**

- (a) apologies were received from Councillor Grey; and
- (b) Councillor Kennedy substituted for Councillor Davison and Councillor Mangat substituted for the Labour Vacancy.

88. **Declarations of Interest**

There were no declarations of interest.

89. **Minutes**

The minutes of the meeting held on 9 March 2022 were taken as read and signed by the Chair as a correct record, subject to an amendment to minute 82 to be corrected to "**Resolved** that the progress being made in addressing the Significant Governance Issues pertaining to the Annual Governance Statement 2020/21, be noted".

90. **Update on Joint Work of WDC and SDC**

The Committee considered a report from the Chief Executive which set out the progress of the work being done to enable effective scrutiny of the proposals to achieve joint working with Stratford-on-Avon District Council.

Appendix 1 to the report set out the Programme Risk Register.

Both Warwick District Council (WDC) and Stratford-on-Avon District Council (SDC) had agreed a vision to create a single statutory South Warwickshire Council covering all of the activities currently carried out by SDC and WDC by 1 April 2024.

Overview & Scrutiny Committee and Finance & Audit Scrutiny Committee had agreed that at each of their meetings, a progress report would be submitted for consideration whilst work was ongoing to merge the service areas of both Councils and depending on the response from the Secretary of State, to enable scrutiny of the political merger also.

The Portfolio Holder for Transformation/Resources apologised to the Committee for the late withdrawal of Item 4 – Joint Governance – Stratford-on-Avon and Warwick District Council and Item 5 - Inter-Authority Agreement between Stratford-on-Avon and Warwick District Council, from the Cabinet agenda. The items were withdrawn from a process point of view to ensure the Council stayed in alignment with Stratford-on-Avon. He also apologised to staff for any delays that came as a result and was happy to take questions from Members.

In response to questions from Members on the withdrawn items from the Cabinet agenda, the Portfolio Holder for Transformation/Resources advised that there would be a meeting the following morning between both Chief Executives, Leaders and Deputy Leaders, and following that meeting they would be able to advise if the withdrawal of these items would result in additional scrutiny/Cabinet meetings.

The Deputy Chief Executive set out the report, and hoped Members appreciated the change in the format of the report; there was a request that it be presented in more a highlight form. There had been a tremendous amount of work going on in the background, in terms of integration and alignment of policy.

In response to questions, he also advised that although there were some orange areas on the programme risk register, it was heartening that there were no red ratings highlighted. The Programme Manager had had no concerns about the overall programme. Although some of the work streams were not ideally where they were wanted, if there were any concerns then these would be flagged as red. The only concern was there were some elements that were paused so the Council remained in step with SDC. In terms of IT, there was a stream of work going on around the integration of 2 ICT environments, and the Head of ICT was bringing forward work that was part of a pilot phase of the integration process. Once that was up and running and we were able to fully deploy the joined resources and joined up technology we would have a better feel of how difficult it would be to carry out the full integration. At that point it was hoped the risk level could be reduced, but the level was deemed appropriate at this point.

The Portfolio Holder for Transformation/Resources explained that he had had a meeting with the Head of ICT and through the Transformation Programme Advisory Board (PAB) and there had been conversations in terms of the telephony system and processes coming forward; as that work progressed that work would come through as a report to the next meeting of the Transformation PAB.

The Leader of the Council advised that the process for the successor to Mike Snow, Head of Finance, was well underway, with the first round of interview process having taken place the previous day. There had been interim arrangements lined up, with Richard Burrell taking the role on an interim basis. Mr Snow had been able to attract grant funding from a local

government body to get some extra procurement resource, and we were looking to join up the teams to progress the joint contracts, joint ways of working and policies on procurement, and there was a tremendous amount of work going on in the background.

The Portfolio Holder for Transformation/Resources also noted that historically procurement had been done differently across both WDC and SDC, and this was being analysed to look at best practices moving forward.

He also explained that he had had conversations with the Leader regarding the work with Parishes and Town Councils and the work that had taken place through the merger documentation, to develop the process with Parish and Town Councils. Important work had taken place before the vote to merge in December, and it was vital we continued those relationships and ensure members felt engaged with the Council.

Resolved that the report and appendix, be noted.

91. **Cabinet Agenda (Non-Confidential items and reports) – Wednesday 20 April 2022**

The Committee considered the following items which would be discussed at the meeting of the Cabinet on Wednesday 20 April 2022.

Item 4 – Joint Governance – Stratford-on-Avon and Warwick District Councils

The Finance & Audit Scrutiny Committee noted that these items had been withdrawn from the Cabinet agenda and thanked Councillor Hales for attending. They welcomed the fact that all Councillors and staff, who are our most important asset, would be informed why these items had been withdrawn

Item 5 – Inter-Authority Agreement between Stratford-on-Avon and Warwick District Council

The Finance & Audit Scrutiny Committee noted that these items had been withdrawn from the Cabinet agenda and thanked Councillor Hales for attending. They welcomed the fact that all Councillors and staff, who are our most important asset, would be informed why these items had been withdrawn.

Item 6 – Amendments to the Constitution

The Finance & Audit Scrutiny Committee asked for all Councillors to be informed of how many Cabinet decisions, in the last 12 months, would have moved from being key decisions to no longer key decisions based on the change in the definition in the report.

The Finance & Audit Scrutiny Committee was content with the report with the exception of the following points:

That the wording of the remit of the new Audit and Standards Committee should be revised to highlight its role in reviewing risk for the Council.

That officers investigate the potential for the PAB agendas and minutes to

be made public. That there should be a more consistent approach to the work of the PABs, and the format of their minutes.

The Committee welcomed the acknowledgment that the first year of the Audit and Standards Committee would be a learning process.

Councillors felt that current reports created a perception that Warwick District Council is changing its structures and procedures to align with Stratford District Council, and hoped that future reports will indicate where the reverse situation occurs.

Item 8 – Significant Business Risk Register

The Finance & Audit Scrutiny Committee noted the risk register.

Item 14 - Creative Quarter / Future High Street

The Finance & Audit Scrutiny Committee noted the recommendations in the report.

92. Value for Money Report – Auditors Annual Report

The Committee considered a report from Finance and Grant Thornton, the Council's Auditors.

Mr Patterson and Mr Preece, from Grant Thornton, advised Members that this was "a good news report". There were seven improvement recommendations, but no significant weaknesses identified.

In response to questions from Members, Mr Patterson and Mr Preece advised that as part of the Medium Term Financial Strategy (MTFS) the Council had put in robust assumptions, and the Auditors felt those assumptions were prudent and were within the ranges they would expect.

The Head of Finance explained that the current inflation rates were alarming, and there would need to be budget monitoring for its impact and what it meant for the budget and MTFS. The reserves were there but once they had gone, they had gone, so the inflation situation created a major challenge.

The Portfolio Holder for Transformation/Resources stated that it was heartening to hear from the Auditors that the Council was following robust assumptions, and he thanked the Head of Finance and the Audit & Risk Manager. In terms of grants/Covid payments during the pandemic, it was also heartening that out of 17,00 payments, only 5 were fraudulent which he felt was a phenomenal achievement and highlighted the good process officers had written. Compared to other Councils, this was a heartening statistic, and he reaffirmed his thanks to officers.

In response to a question about the Quarterly Performance Reports that were shared with all Councillors, the Democratic Services Manager & Deputy Monitoring Officer explained that there had been a discussion at Overview and Scrutiny Committee meeting the previous night about engaging with Councillors about this and showing Councillors where to find the information. An all-Member briefing would be arranged to talk through

the process of these reports and give ideas how to scrutinise the data further.

Resolved that the report and appendices be noted.

93. **End of Term Report**

The Committee considered a report from Democratic Services. The report was the annual end of term report to the Council on the work the Finance & Audit Scrutiny Committee had undertaken during the municipal year 2021/22. The Committee had met nine times during the year.

Under Article 6 of the Council's Constitution, Overview & Scrutiny Committees and Policy Committees were required to provide an end of term report to the Council on the work they had undertaken during the year.

The matters considered during the year were attached at Appendix A to the report. This would be updated to include matters considered at this meeting before it was submitted to Council.

A full account of the work undertaken by the Finance & Audit Scrutiny Committee for the municipal year 2021/22 would be submitted to Council.

In light of the Chairman of the Committee passing away in March, the Democratic Services Manager and Deputy Monitoring Officer advised that whoever was appointed Chair this evening should do the Chair's Introduction for the work done over the year, but Members could delegate the final wording of that report to the Chair of the meeting, recognising there was another meeting of the Committee in May shortly before Annual Council.

The Chairman advised Members that she had prepared a Chairman's Introduction for the End of Term report, and she would send a copy round to Members for any comments they wished to add.

Recommended to Council that

- (1) the list of matters considered by the Finance & Audit Committee during the municipal year 2021/22, as detailed in Appendix A to the report, be noted;
- (2) prior to submission to Council, the report be updated to include the meetings of the Finance & Audit Scrutiny Committee and any responses from Cabinet that took place in April 2022; and
- (3) authority be delegated to the Chairman of the 13 April meeting to finalise the wording of the Chairman's Introduction to the End of Term report, ahead of its consideration at Annual Council on 11 May 2022.

94. **Review of the Work Programme and Forward Plan & Comments from the Cabinet**

The Committee considered a report from Democratic Services that informed the Committee of its work programme for the 2022/2023 Municipal Year, as set out at Appendix 1 to the report, and of the current Forward Plan.

Resolved that the report be noted.

The Committee took the opportunity to pay tribute to the Head of Finance, Mike Snow, who was due to retire.

(The meeting ended at 7.54pm)

CHAIR