

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday 8 January 2019 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Quinney (Chair); Councillors Cain, Gifford, Howe, Illingworth, Mrs Knight, Margrave, Murphy, Noone and Wright.

Also present: Councillors Coker, Mobbs and Whiting.

96. **Apologies and Substitutes**

- (a) There were no apologies for absence; and
- (b) There were no substitutes.

97. **Declarations of Interest**

Minute Number 100 – Pump Room Gardens Restoration Project – Briefing Paper

Councillor Cain declared an interest because he was a member of the Conservation Advisory Forum who had previously considered the planning application at the site.

98. **Minutes**

The minutes of the meeting held on 27 November 2018 were taken as read and signed as a correct record.

99. **Executive Agenda (Non Confidential Items & Reports – Wednesday 9 January 2019)**

The Committee considered the following items which would be discussed at the meeting of the Executive on Wednesday 9 January 2019.

Item 6 – Local Council Tax Reduction Scheme 2019/2020

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

100. **Pump Room Gardens Restoration Project – Briefing Paper**

Following a request from the Committee, Members received a report from Health and Community Protection updating them on the progress of the restoration of the Royal Pump Room Gardens in Leamington.

Prior to discussion on the report, a member of the public, Mr Bradbury, was given permission to address Members in order to raise a number of concerns about the project at the Pump Room Gardens.

The briefing note provided a background and summary of the project, along with a full description of the main contract with IDVerde.

The restoration of the Pump Room Gardens was a £1.4m Heritage Lottery Fund (HLF) project funded through nearly £1m from HLF and further contributions from Warwick District Council (WDC) and the Friends of the Pump Room Gardens (FoPRG). The capital works were being carried out by two contractors: IDVerde, for the main landscaping and works (contract value: £755K) and Lost Art Limited, for the bandstand restoration (contract value: £254K). A separate Activity Plan complemented this work.

The current position was that the main works were approximately three weeks behind the original programme end date of January 2019. Some of these delays had been due to the need to co-ordinate works with the County Council over the approach to the central path (which was adopted), and the negotiations with Western Power Distribution (WPD) over problems with the electrical supply. The remediation works had not added any significant time delay to the project.

Works to York Bridge were omitted from the main contract as the works required were substantially more than originally expected and would now be carried out by the County Council, who had confirmed that work would begin in April 2019 for an eight-week period.

The bandstand was due to be reassembled on site from early January with a completion date of early February. The most significant delays were due to: the need to completely replace the decking which was only apparent when the works were underway; to agree the colour scheme for the bandstand, which took much longer than expected and followed lengthy discussions between Conservation, HLF and the FoPRG; and, agreeing with WPD the means of accessing the electricity supply.

The forecasted final accounts for both contracts were within budget. Whilst there had been some variations to both contracts, there had also been some omissions, and there was no forecasted overall increase in costs. The cost of the Clerk of Works was incorporated within the eligible costs of the project and had been agreed with HLF.

The briefing note also outlined a number of issues relating to Quality of Work and the reputational risk, both locally and with the main funder, HLF.

Prior to the meeting, Councillor Gifford had circulated a number of questions relating to the original budget and variations, the Clerk of Works position, sign off of the remedial works, the 'undercroft' and the electrics contained within this. Officers responded in detail and were thanked for the answers given to all of the questions raised. These responses were shared with the rest of the Committee prior to the meeting and further discussions were had about the bridge, the works being undertaken by the County Council and the responsibility to put right any damage caused.

Officers from Health & Community Protection, Mr Hoof, Mr Poulton and Mr Anderson attended the meeting and answered questions from the Committee.

In response to monitoring the works, officers advised that there was a central spreadsheet which all parties were able to work from. If the issues

were not finished, they would not be signed off and the spreadsheet would effectively work as a snagging list.

Officers were thanked for attending and answering questions from the Committee, along with Mr Bradbury for addressing Members.

Resolved that the briefing note be noted.

101. Executive Agenda (Non-Confidential Items & Reports – Wednesday 9 January 2019)

The Committee considered the following items which would be discussed at the meeting of the Executive on Wednesday 9 January 2019.

Item 4 – Housing Revenue Account (HRA) base budgets 2019/20

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

Item 3 – General Fund Base Budget 2019/20

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

Item 13 – Significant Business Risk Register

The Finance & Audit Scrutiny Committee noted the report but requested that officers would provide a briefing on the recent emergency evacuation at Riverside House, the robustness of the business continuity plan and any lessons learned.

Item 7 – Leisure Development Programme – Phase 2, Kenilworth

Prior to discussion of this item, a member of the public, Ms Green, addressed Members as a representative of Restore Kenilworth Lido.

The Finance & Audit Scrutiny Committee considered requesting a deferral of the decisions, but, on balance, supported the recommendations in the report.

102. Public & Press

Resolved that under Section 100A of the Local Government Act 1972 that the public and press be excluded from the meeting for the following item by reason of the likely disclosure of exempt information within paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

103. Executive Agenda (Confidential Items & Reports – Wednesday 9 January 2019)

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 9 January 2019.

Item 18 – Purchase of premises in Royal Leamington Spa

The Finance & Audit Scrutiny Committee supported the recommendations but raised some concerns which would be detailed in the confidential minutes to the meeting.

(The meeting resumed in public session)

100. Scrutiny of Service Area Performance – Chief Executive

The Committee received a report from the Chief Executive's department which brought together the contract register, risk register and budget for that area.

It had been requested by Members that the service contract and risk registers be considered together, along with details of the budget and performance for the relevant service.

At the Finance & Audit Scrutiny Committee Chair's briefing, Councillor Quinney requested that Appendix B from the same item on the Overview & Scrutiny Committee agenda be circulated to Members of this Committee. Whilst the remit of the two committees was different, it was felt that some of the work detailed in the appendix was also relevant with regards to risk.

The Chief Executive's Office risk register was attached as Appendix A to the report and had last been reviewed on 11 October 2018.

The Chief Executive's Office was responsible for a wide range of services which consequently led to a number of potential risks and there were 15 risks contained in the risk register. Three of those risks were rated "green", eleven rated "amber", and one was rated "red", in accordance with the Council's risk scoring matrix.

The risk rated "red" related to the failure to deliver corporate strategies / initiatives and a number of Risk Mitigation / Control measures were detailed alongside further details in Appendix A to the report.

The Chief Executive's Office contract register was attached at Appendix B to the report. The Chair requested clarification as to why there were still a number of contracts with no signed copy of the contract on file. Mr Jones advised that a number of those contracts were historic and had never had a signed contract connected to them. As a result of this, officers were working with the Procurement team to reconstruct the contracts in order to resolve this issue.

The Chief Executive's Office budget outline was attached as Appendix C to the report and management of this was part of the ongoing processes which ensured that significant variances were discussed with Finance. The budgets were devolved to budget managers, who were responsible for the delivery of specific services, and each budget manager was trained on their responsibilities. Those responsibilities included regular liaison with the relevant accountant in finance to discuss and resolve issues and variances

associated with the budget. Managing expenditure in line with the budget was therefore part of the established practice of the service.

The Deputy Chief Executive presented the report and advised that answers relating to questions raised on the budget would be circulated in due course. In response to the queries raised on Appendix B of the Overview & Scrutiny report, Mr Jones noted the comments that there were a lot of items listed against Risk 11 and would provide more narrative once he had spoken to the relevant officers.

Councillor Illingworth made reference to Risk number 1 relating to disclosure and requested further information about the impact on contingency planning following the recent evacuation of Riverside House. The Deputy Chief Executive provided a brief update and advised Members that a definitive response would be issued in due course.

Resolved that the report be noted.

92. **Review of the Work Programme, Forward Plan Comments from the Executive**

The Committee received a report from Democratic Services that set out its current work programme, the Forward Plan and responses from the comments made by the Committee to the Executive.

The Civic & Committee Services Manager highlighted that the Local Plan Infrastructure Delivery report would be submitted to the February 2019 meeting.

Resolved that the report be noted.

(The meeting ended at 9.18 pm)