

# FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 10 December 2013 at the Town Hall, Royal Leamington Spa at 6.00pm.

**PRESENT:** Councillor Barrott (Chair): Councillors Doody, Gifford, MacKay, Mrs Mellor, Rhead, Mrs Syson, Weed and Williams.

**ALSO PRESENT:** Councillors Coker, Mobbs and Vincett (Portfolio Holders).

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

## 106. **SUBSTITUTES**

Councillor Doody substituted for Councillor Pratt and Councillor Gifford substituted for Councillor Pittarello.

## 107. **DECLARATIONS OF INTEREST**

Minute 109 – Executive Agenda (Non-Confidential Items & Reports) – Executive item 9 – Council Tax Uninhabitable Discount

As discussion commenced on Executive item 9, Councillor Gifford realised that he may have a prejudicial interest as a Warwickshire County Councillor and therefore left the room for the duration of the item.

Minute 109 – Executive Agenda (Non-Confidential Items & Reports) – Executive item 10 – CCTV & Lighting in St Nicholas Park

Councillor Mrs Mellor declared that she was a Ward Councillor for the site in question.

## 108. **MINUTES**

The minutes of the meeting held on 12 November 2013 were taken as read and signed by the Chair as a correct record.

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

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 11 December 2013.

Item 9 – Council Tax Uninhabitable Discount

The Committee was addressed by a member of the public, a pensioner who had bought a derelict property but who had as yet been unable to pay for the work required to move the project forward due to financial

burdens such as the Council Tax. He could not see how the current system would encourage people to work on derelict properties and therefore supported the recommendations in the report, which the Committee also supported.

(Having declared an interest, Councillor Gifford left the room for the duration of this item)

#### Item 10 – CCTV & Lighting in St Nicholas Park

A member of the Committee raised concerns that money should still be ring fenced in the budget for the provision of cameras and argued that there was a need for additional cameras in the park to protect members of the public. Members and officers responded that investigations had established that it was not possible to install further cameras due to there being no line of sight to a base station and it was considered that the current cameras were in the best position it was possible to achieve. The Committee noted the Member's concerns and the responses given to those concerns, recognised that monies remained in the budget to address safety concerns and supported the recommendations in the report.

(Councillor Coker left the meeting at the conclusion of this item)

#### Item 6 – Housing Revenue Account base budgets latest 2013/14 and original 2014/15

The Committee noted that at the time of submission of the Rent Setting report in February 2014 there would be an opportunity to address contentious issues such as rent increases. Members also noted the potential for a knock-on effect on the HRA Business Plan. The Committee supported the recommendations in the report.

#### Item 7 – The new HRA Business Plan 2013-2062

The Committee noted that, due to a shift towards social rent policy by the government, it was projected that the Council should be able to build 4000 rather than 6000 properties during the term of the Plan. However, Members were encouraged that this was still considerably higher than the original estimate, that the Plan was constantly under review and supported the recommendations in the report.

(Councillor Vincett left the meeting at the conclusion of this item)

### 110. **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

The full text of Minute 111 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:

**111. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)**

The Committee considered the following confidential item which would be discussed at the meeting of the Executive on Wednesday 11 December 2013.

Item 16 – Kenilworth Public Service Centre Feasibility Study & Business Case

The Committee considered the report and made a recommendation to the Executive.

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

The Committee considered the following non-confidential item which would be discussed at the meeting of the Executive on Wednesday 11 December 2013.

Item 8 – Assets Review

The Committee accepted that £30,000 was the maximum cost of market testing for the three properties in question, expressed a desire to see free public access to the Pump Rooms in future in one form or another, noted that a report due in February 2014 would estimate the cost to the budget and supported the recommendations in the report.

(Councillor Mobbs joined the meeting during the course of this item)

**113. INTERNAL AUDIT QUARTER 2 2013/14 PROGRESS REPORT**

The Committee received a report from Finance which advised on progress in achieving the Internal Audit Plan 2013/14, summarised the audit work completed in the second quarter (July to September 2013) and provided assurance that action had been taken by managers in respect of the issues raised by Internal Audit.

Of six audits carried out during this quarter, one report had been awarded a less than substantial assurance, that being in relation to St Nicholas Park Leisure Centre, which was awarded a moderate level of assurance. Procurement had been identified as an issue – a number of contracts might have seemed to be of low value when taken individually, but together they had achieved the Council's threshold. A recommendation had therefore been made to address this.

The Audit and Risk Manager advised Members that all managers' reports had been received in respect of the quarter, as had details of the state of implementation of recommendations made by Internal Audit in the previous quarter.

The Audit and Risk Manager responded to Members' questions and reminded Members that, if they had concerns following any particular audit, they were welcome to review the files held by Internal Audit.

The Committee requested that updates on Kudos Catering and Newbold Comyn Golf Course be given to the next meeting.

The Audit and Risk Manager was thanked for his report.

**RESOLVED** that the report be noted and its contents accepted or, where appropriate, acted upon.

114. **IMPLICATIONS OF THE PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

The Committee received a report from the Audit and Risk Manager which advised on the implications to the Council's internal audit service of the Public Sector Internal Audit Standards.

Members noted that the Standards were intended to promote further improvement in the professionalism, quality and effectiveness of internal audit across the public sector. The Standards reaffirmed the importance of robust, independent and objective internal audit arrangements to provide audit committees and senior managers with the key assurances they needed to support them both in managing the organisation and in producing the annual governance statement.

The Audit and Risk Manager advised Members that, in line with these new Standards, it was necessary for Internal Audit to be subject to a comprehensive peer review every 5 years. Internal Audit already had experience of peer reviews. Standards also dictated that the Audit and Risk Manager and the Chair of this Committee adopt a closer working relationship, something which they had already begun to address by having regular meetings, the first of which had already taken place. Finally, it was necessary to introduce an Audit Charter, something which the Audit and Risk Manager intended to present to the Committee in March 2014.

The Audit and Risk Manager and his team were thanked for their work.

**RESOLVED** that

- (1) the new Public Sector Internal Audit Standards and the impact thereupon be noted; and

- (2) the Public Sector Internal Audit Standards be adopted as best practice for the delivery of a quality Internal Audit Service in Warwick District Council.

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

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 11 December 2013.

Item 5 – General Fund base budgets latest 2013/14 and original 2014-15

The Committee noted a number of discrepancies in figures within the report which officers agreed to clarify in time for the Executive meeting, but was pleased that there was a surplus in the budget this year and a projected surplus for the coming year and supported the recommendations in the report.

Members were keen to see the Planning reserve topped up from the current surplus.

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

**116. TREASURY MANAGEMENT ACTIVITY REPORT FOR THE PERIOD 1<sup>st</sup> APRIL 2013 TO 30<sup>TH</sup> SEPTEMBER 2013**

The Committee received a report from Finance which detailed the Council's Treasury Management performance for the period 1st April 2013 to 30th September 2013.

The Council's 2013/14 Treasury Management Strategy and Treasury Management Practices required the performance of the Treasury Management Function to be reported to Members on a half yearly basis.

The report informed the Committee of past performance and therefore just asked Members to note the information contained within it.

The Committee was pleased to see that the Treasury Management function continued to perform very well. Members extended their thanks to the officers concerned.

**RESOLVED** that the report be noted.

**117. COMMENTS FROM THE EXECUTIVE**

A report from Civic and Committee Services summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 13 November 2013.

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

118. **FORWARD PLAN**

The Committee considered the latest published version of the Forward Plan.

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

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

119. **REVIEW OF THE WORK PROGRAMME**

A report from Civic and Committee Services detailed the Committee's work programme for 2013/14.

**RESOLVED** that the work programme for 2013/14 be noted.

120. **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 items, 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 Minutes 121 and 122 were recorded in a confidential minute which was to be considered for publication following implementation of the relevant decisions. However, a summary is as follows:

121. **MINUTES (CONFIDENTIAL)**

The confidential minutes of the meeting held on 12 November 2013 were agreed as a correct record.

122. **COMMENTS FROM THE EXECUTIVE – APPENDIX 2 (CONFIDENTIAL)**

A report from Civic and Committee Services summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 13 November 2013.

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

(The meeting ended at 8.10 pm)