

# Finance and Audit Scrutiny Committee

Wednesday 31 August 2016

---

A meeting of the above Committee will be held at the Town Hall, Royal Leamington Spa on Wednesday 31 August 2016 at 6.00pm.

Membership:

Councillor Quinney (Chairman)	
Councillor Ashford	Councillor Harrington
Councillor Barrott	Councillor Illingworth
Councillor G Cain	Councillor Mann
Councillor Mrs Falp	Councillor Rhead
Councillor Gifford	Councillor Thompson

## Emergency Procedure

At the commencement of the meeting, the Chairman will announce the emergency procedure for the Town Hall.

## Agenda

### Part A – General Items

#### 1. Apologies and Substitutes

- (a) to receive apologies for absence from any Councillor who is unable to attend; and
- (b) to receive the name of any Councillor who is to act as a substitute, notice of which has been given to the Chief Executive, together with the name of the Councillor for whom they are acting.

#### 2. Declarations of Interest

Members to declare the existence and nature of interests in items on the agenda in accordance with the adopted Code of Conduct.

Declarations should be entered on the form to be circulated with the attendance sheet and declared during this item. However, the existence and nature of any interest that subsequently becomes apparent during the course of the meeting must be disclosed immediately. If the interest is not registered, Members must notify the Monitoring Officer of the interest within 28 days.

Members are also reminded of the need to declare predetermination on any matter.

3. **Minutes**

To confirm the minutes of the meetings held on 26 July 2016

**(To follow)**

**Part B – Audit Items**

4. **Internal Audit Quarter 1 2016/17 Progress Report**

To consider a report from Finance

**(Item 4/Page 1)**

5. **Annual Governance Statement Action Plan 2016/17: Review of Progress**

To consider a report from Finance

**(Item 5/Page 1)**

6. **Risk Management Annual Report 2015/16**

To consider a report from Finance

**(Item 6/Page 1)**

**Part C – Scrutiny Items**

7. **Review of Housing & Property Services Contracts Register**

To consider a report from Housing and Property Services

**(Item 7/Page 1)**

8. **Comments from the Executive**

To receive a report from Democratic Services

**(Item 8/Page 1)**

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

To consider a report from Democratic Services

**(Item 9/Page 1)**

Published Monday 22 August 2016

General Enquiries: Please contact Warwick District Council, Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ.

Telephone: 01926 456114  
E-Mail: [committee@warwickdc.gov.uk](mailto:committee@warwickdc.gov.uk)

Enquiries about specific reports: Please contact the officers named in the reports.

You can e-mail the members of the this Committee at  
[F&AScrutinycommittee@warwickdc.gov.uk](mailto:F&AScrutinycommittee@warwickdc.gov.uk)

Details of all the Council's committees, councillors and agenda papers are available via our website [www.warwickdc.gov.uk/committees](http://www.warwickdc.gov.uk/committees)

**Please note that the majority of the meetings are held on the first floor at the Town Hall. If you feel that this may restrict you attending this meeting, please call (01926) 456114 prior to this meeting, so that we can assist you and make any necessary arrangements to help you attend the meeting.**

**The agenda is also available in large print,  
on request, prior to the meeting by calling  
01926 456114.**

# Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday 26 July 2016 at the Town Hall, Royal Leamington Spa at 6.00pm.

**Present:** Councillor Quinney (Chair), Councillors; Barrott, Mrs Bunker, Mrs Falp, Gifford, Harrington, Illingworth, Murphy, Rhead and Thompson.

**Also present:** Councillors; Coker and Shilton.

## 25. **Apologies and Substitutes**

- (a) Apologies for absence were received from Councillor Day; and
- (b) Councillor Mrs Bunker substituted for Councillor Mann, and Councillor Murphy substituted for Councillor Cain.

## 26. **Declarations of Interest**

### Minute Number 34 – Executive Item 7 – Review of Support to Town and Parish Councils

Councillors Mrs Bunker and Illingworth declared an interest because they were Kenilworth Town Councillors.

Councillor Mrs Falp declared an interest because she was a Whitnash Town Councillor.

Councillor Harrington declared an interest because he was a Weston-under-Wetherley Parish Councillor.

Councillor Murphy declared an interest because he was a Warwick Town Councillor.

Councillor Rhead declared an interest because he was a Barford Parish Councillor.

Councillor Thompson declared an interest because he was a Royal Leamington Spa Town Councillor.

## 27. **Minutes**

The minutes of the meetings held on 1 and 28 June 2016 were agreed and signed by the Chairman as a correct record, subject to the removal of Councillor Illingworth from the attendance list/record on 28 June 2016.

## 28. **Executive Agenda (Non-Confidential Items & Reports – Wednesday 27 July 2016)**

### Agenda Item 9 – Procurement Exemption for WDC Copier Maintenance 2016/17

The Committee supported the recommendation but was very concerned that the procurement process had yet again not been followed. Members requested further information as to whether other contractors had been approached about supplying the maintenance contract and if not, why not. In addition, Members were not content with the risks posed of a 3 month rolling contract & queried why the contract end date had not been flagged up on the contract register - as a result this demonstrated that the processes were not being adhered to.

29. **Statement of Accounts and Annual Governance Statement 2015/16**

The Committee considered a report from Finance which advised that the accounts had been closed in respect of the financial year 2015/16 and the outturn duly was reported to the Executive in June. In addition, the draft Statement of Accounts 2015/16 had been produced and would be subject to Audit up to the end of September.

The audited Statement of Accounts would be presented to the Committee and Council in September for formal approval.

As part of corporate governance, Members had an important role in overseeing the framework of internal control of the Council. Although the Statements were still subject to audit, it was considered helpful to Members to get an early sight of them. The report requested that the Committee noted the pre-audit Statements.

The Accounts and Audit (England) Regulations 2015 required local authorities to 'conduct a review at least once a year of the effectiveness of its system of internal control', and include a statement on internal control in any Statement of Accounts. The regulations required local authorities to produce the statement in accordance with 'proper practices in relation to internal control'. The Annual Governance Statement had been approved by this Committee at its meeting on 1 June 2016.

In response to questions from the Committee, the Finance Officer confirmed that the differences in the value of the Council's major assets were due to the change in valuer. In addition, he explained that the value assigned to car parks was reliant on the estimated income generated.

Members noted that the Council had been criticised in the past for the complexity of the accounts and as a result had undertaken a de-cluttering exercise. The Head of Finance reminded Members that the current regulations imposed company accounts on the Local Authority.

**Resolved** that the pre-audit Statements be noted.

30. **Executive Agenda (Non Confidential Items & Reports – Wednesday 27 July 2016)**

Agenda Item 6 – Council Tax Reduction Scheme

The Committee supported the recommendations but was concerned about the effectiveness of the consultation scheme, whilst noting that this was a mandatory requirement.

### 31. **Neighbourhood Services Risk Register**

The Committee considered a report from Neighbourhood Services which set out the service area's Risk Register for review by the Committee.

Risk registers were in place for all significant risks facing service areas in the provision of their services. In addition to all service area risk registers, there was the Significant Business Risk Register that contained the organisation's corporate and strategic risks. In January 2012, the Executive agreed that the relevant Portfolio Holders should attend the Finance & Audit Scrutiny Committee meetings in order for their risk registers to be reviewed.

The Head of Neighbourhood Services addressed Members along with the Portfolio Holder, Councillor Shilton. He report introduced the risk register and explained that alongside a list of generic risks, summary tables for each part of the service had also been provided as a supplement to the Risk Register to assist in tracking risks and logging key actions. These were attached as Appendix B to the report.

The report advised that the Neighbourhood Services (NS) Risk Register was owned and managed by the NS Portfolio Holder and the NS Management Team. Risks were reviewed on an ongoing basis and with the Portfolio Holder at quarterly meetings. In addition, the wide range of services that NS covered was described in section 10 of the report.

Three main risks had been identified during the process and these were:

- Bereavement Services Risks 6 and 7 – Loss of Statutory Documents & Loss of ICT;
- Car Park Services Risk 5 – Structural Integrity of Multi-storey Car Parks; and
- Refuse, Recycling, Street Cleansing and Grounds Risks 2 and 3 – Demobilisation of Previous Ground Maintenance Contract.

The Committee were asked to review the report and appendices and make observations as appropriate.

Members raised concerns that risks relating to the failure of contractors to deliver the service had not been satisfactorily addressed because members of the public were still contacting them with issues relating to refuse and recycling collections.

In response, the Portfolio Holder advised that a lot of work had gone in to tackling student accommodation and the spike of issues which occurred at the end of term. It was recognised that there were staffing issues and employees were being asked to work overtime to resolve these. He assured Members that meetings were in the pipeline to continue to address the difficulties experienced.

Councillors also highlighted that they had received an email requesting they did not contact staff with refuse collection issues because the staff were overworked and under a lot of pressure. However, the staffing difficulties did not appear in the risk register and officers were asked how

they were monitoring this. In response, the Head of NS advised that staffing issues had been flagged throughout the risk register.

The Committee were concerned that recent interventions and restructures had had a detrimental impact on the good relationships built up between the student population and the refuse and recycling team. Officers were asked why the department was losing staff.

In response, the Portfolio Holder stated that the department did receive thanks for the service they provided and a number of awards had been received including Green Heritage awards. The risk relating to staffing had been recognised and officers were working to put it right.

In response to further questions from the Committee, officers confirmed that:

- When the risk register was produced, the teams had been fully staffed;
- Cross departmental meetings were taking place to tackle the issues relating to Houses in Multiple Occupation;
- Condition surveys had been carried out on the multi-storey car parks and the results had been built in to the Corporate Asset Strategy;
- Officers were disappointed that Members were not satisfied with the layout of the report and registers, there had been no intent to hide information;
- Officers were confident that the risk registers were working well and did not feel that there were any systematic problems.

Members felt that there was an issue with some of the service areas more substantial contracts and how these were being managed. With regard to service delivery, Members felt it would have been useful to have further contract information and it was suggested that a task and finish group could be created to look specifically at contracts.

The Committee thanked the Head of Service and Portfolio Holder for attending.

**Resolved** that the report be noted.

**32. Executive Agenda (Non Confidential Items & Reports – Wednesday 27 July 2016)**

Agenda Item 10 – Significant Business Risk Register

The Committee supported the recommendations.

Agenda Item 4 – Leisure Development Programme Update

The Committee supported the recommendations but was concerned about the substantial increase in costs. In addition, Members highlighted to the Executive that they would be expecting Mace to make a firm commitment to deliver savings through the Value Engineering Exercises.

However, Members were encouraged by the inclusion of the penultimate sentence of paragraph 3.1.3, relating to the standard of the end product and the experience that customers should encounter at the facilities.

### 33. **Anti-Fraud and Corruption Progress Report 2015/16**

The Committee considered a report from Finance which updated members on the steps taken to deliver the Anti-Fraud and Corruption 2015/2016 action plan and presented the 2016/2017 action plan for approval.

The Council's first Anti-Fraud and Corruption Strategy was approved in 1995 and, since that time, had been subject to an annual review to ensure its currency and relevance. Following the most recent review, and some consultation, minor changes had been identified and some were suggested by Democratic Services.

Alongside the strategy, an action plan was prepared to maintain the strategy and to help deliver its objectives and a copy of the strategy was attached as Appendix C to the report.

Keeping the strategy under review and completing the action plan contributed towards improving the overall control environment, raising awareness on fraud and corruption matters and the prevention and detection of fraud and corruption.

The Audit and Risk Manager outlined the report and advised that the Audit Commission carried out benchmarking exercises of all local authorities. In addition, the Council belonged to a sixty strong group who met quarterly to discuss anti-fraud and corruption processes.

He also advised the Committee that there were no issues being investigated at present.

#### **Resolved** that

- (1) the report and the progress made in implementing the 2015/2016 action plan, be noted; and
- (2) the action plan for 2016/2017, is approved.

### 34. **Executive Agenda (Non Confidential Items & Reports – Wednesday 27 July 2016)**

#### Agenda Item 5 – Budget Review to 30 June 2016

The Committee supported the recommendations and welcomed the inclusion of the detail at paragraph 6.5 relating to the mitigation measures being undertaken to effectively manage the Councils budgets.

#### Agenda Item 7 – Review of Support to Town and Parish Councils

The Committee noted the report and was pleased that the consultation timeframe had been set taking into account the holiday period, with responses being requested by the end of September. Members look forward to the responses coming in.



### 35. **Comments from the Executive**

The Committee considered a report from Democratic Services which detailed the responses from the Executive to the comments the Committee made regarding the reports submitted to the Executive on 29 June 2016.

The Committee noted that the dates in the report and on the appendix needed amending to reflect the comments made on 28 June 2016.

**Resolved** that the report be noted.

### 36. **Review of the Work Programme & Forward Plan**

The Committee considered its Work Programme for 2016 and the Forward Plan.

The Senior Committee Services Officer advised the Committee that the work programme had been amended since the publication of the agenda to include the items agreed at the last scrutiny meeting on 28 June 2016 and revised copies were circulated at the meeting.

The item added was an update on the Infrastructure Delivery Plan which officers would need to provide at the 31 August meeting because there was not an early September meeting.

Members discussed the cost implications of supporting students in Warwick District, specifically with regard to Council Tax and the withdrawal of the government grant. It was noted that this issue had been looked at some years ago and there was uncertainty as to whether students could be charged for Council Tax purposes. However, it was agreed that it would be useful to receive a report.


The Committee noted that there was a lot of work taking place regarding the student population and the HMO Task & Finish Group would be covering some of the same issues.

It was suggested that this be added to the work programme.

**Resolved** that

- 1) the revised work programme, be noted; and
- 2) an item relating to the cost of covering Council Tax for students, following the withdrawal of the government grant, be added.

(The meeting ended at 9.30 pm)

 <b>Finance and Audit Scrutiny Committee</b> <b>31 August 2016</b>		<b>Agenda Item No.</b> <b>4</b>
<b>Title</b>	Internal Audit Quarter 1 2016/17 Progress Report	
<b>For further information about this report please contact</b>	Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk	
<b>Service Area</b>	Finance	
<b>Wards of the District directly affected</b>	Not applicable	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Finance and Audit Scrutiny Committee – 1 June 2016	
<b>Background Papers</b>	Internal Audit Reports	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	N/A: no direct service implications

Officer/Councillor Approval		
With regard to officer approval all reports <i>must</i> be approved by the report author's relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
Officer Approval	Date	Name
Chief Executive	10 Aug 2016	Chris Elliott
Section 151 Officer	10 Aug 2016	Mike Snow
Monitoring Officer	10 Aug 2016	Andrew Jones
Human Resources		
Finance	10 Aug 2016	As Section 151 Officer
Portfolio Holder	10 Aug 2016	Councillor Whiting
Consultation and Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below)		

## **1 SUMMARY**

- 1.1 Report advises on progress in achieving the Internal Audit Plan 2016/17, summarises the audit work completed in the first quarter and provides assurance that action has been taken by managers in respect of the issues raised by Internal Audit.

## **2 RECOMMENDATIONS**

- 2.1 That the report be noted and its contents be accepted or, where appropriate, acted upon.

## **3 REASON FOR THE RECOMMENDATIONS**

- 3.1 Members have responsibility for corporate governance, of which internal audit forms a key part.

## **4 ALTERNATIVE OPTIONS CONSIDERED**

- 4.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

## **5 BUDGETARY FRAMEWORK**

- 5.1 Although there are no direct budgetary implications arising from this report, Internal Audit provides a view on all aspects of governance including that of the Budgetary Framework. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

## **6 POLICY FRAMEWORK**

- 6.1 Although there are no direct policy implications, Internal Audit provides a view on all aspects of governance and will take into account the Council's policies.

## **7 RISKS**

- 7.1 Internal Audit provides a view on all aspects of governance, including corporate and service arrangements for managing risks.
- 7.2 It is difficult to provide a commentary on risks as the report is concerned with the outcome of reviews by Internal Audit on other services. Having said that, there are clear risks to the Council in not dealing with the issues raised within the Internal Audit reports (these risks were highlighted within the reports). There is also an overarching risk associated with the Finance & Audit Scrutiny Committee not fulfilling its role properly e.g. not scrutinising this report robustly.

## **8 ROLE AND RESPONSIBILITIES OF AUDIT COMMITTEES**

- 8.1 Guidance on the role and responsibilities of audit committees is available from a number of sources. That which relates to audit committees' relationship with internal audit and in particular the type and content of reports they should receive from internal audit is summarised in Appendix 1.

- 8.2 Essentially, the purpose of an audit committee is:
- To provide independent assurance of the associated control environment.
  - To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakens the control environment.
- 8.3 To help fulfil these responsibilities audit committees should review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- 8.4 The following sections provide information to satisfy these requirements.

## 9 **PROGRESS AGAINST PLAN**

- 9.1 At the start of each year Members approve the Audit Plan setting out the audit assignments to be undertaken. An analysis of progress in completing the Audit Plan for 2015/16 is set out as Appendix 2.
- 9.2 As can be seen, a slow start has been made in respect of achieving the current year's Plan. This is mainly the result of resources being diverted to investigation work. It is hoped that with careful planning there can be a degree of "catch-up" over the coming months. Progress will be monitored and reported to before Finance & Audit Scrutiny Committee. If necessary, a revised Plan will be brought to the Committee for its endorsement.

## 10 **ASSURANCE**

- 10.1 Management is responsible for the system of internal control and should set in place policies and procedures to help ensure that the system is functioning correctly. On behalf of the Authority, Internal Audit review, appraise and report on the efficiency, effectiveness and economy of financial and other management controls.
- 10.2 Each audit report gives an overall opinion on the level of assurance provided by the controls within the area audited. The assurance bands are shown below:

### **Assurance Levels**

<b>Level of Assurance</b>	<b>Definition</b>
Substantial Assurance	There is a sound system of control in place and compliance with the key controls.
Moderate Assurance	Whilst the system of control is broadly satisfactory, there are weaknesses in the system that leaves some risks not addressed together with non-compliance with some of the controls, including key ones.
Limited Assurance	The system of control is weak and there is non-compliance with the controls that do exist.

These definitions have been developed following extensive investigation of other organisations' practices (including commercial operations).

## 11 **INTERNAL AUDIT ASSIGNMENTS COMPLETED DURING QUARTER**

- 11.1 Three audits were completed in the first quarter of 2016/17. Copies of all the reports issued during the quarter are available for viewing on the following hyper-link: [Reports](#).
- 11.2 The action plans accompanying all Internal Audit reports issued in the quarter are set out as Appendix 3. These detail the recommendations arising from the audits together with the management responses, including target implementation dates.
- 11.3 As can be seen, responses have been received from managers to all recommendations contained in audit reports issued during the quarter in question.
- 11.4 None of the audits completed during the quarter was awarded a lower than substantial assurance opinion.

## 12 **IMPLEMENTATION OF RECOMMENDATIONS ISSUED PREVIOUSLY**

- 12.1 Managers are required to implement recommendations within the following timescales:
  - (a) Recommendations involving controls assessed as high risk to be implemented within three months.
  - (b) Recommendations involving controls assessed as low or medium risk to be implemented within nine months.
- 12.2 The state of implementation of **low and medium risk** recommendations made in the **second quarter of 2015/16** is set out as Appendix 4 to this report. No **high risk** recommendations were issued in the **fourth quarter of 2015/16** so none features on this appendix.
- 12.3 As can be seen, responses have been received from all managers in order to provide the state of implementation of recommendations issued in this earlier quarter.

## 13 **REVIEW**

- 13.1 Members are reminded that they can see any files produced by Internal Audit that may help to confirm the level of internal control of a service, function or activity that has been audited or that help to verify the performance of Internal Audit.

**GUIDANCE ON THE ROLE AND RESPONSIBILITIES OF AUDIT COMMITTEES**

**Public Sector Internal Audit Standards 2013**

Independence and Objectivity

The chief audit executive must...establish effective communication with, and have free and unfettered access to...the chair of the audit committee.

Glossary

Definition: Audit Committee

The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.

**Audit Committees: Practical guidance for Local Authorities (CIPFA)**

Core Functions

Audit committees will:

... Review summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.

Suggested Audit Committee Terms of Reference

Audit Activity:

- To consider the Head of Internal Audit's report and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.
- To consider summaries of specific internal audit reports as requested.
- To consider a report from internal audit on agreed recommendations not implemented within a reasonable timescale.

## **Called to Account: The Role of Audit Committees in Local Government (Audit Commission)**

### Monitoring Audit Performance

#### *Auditor/officer collaboration*

Slow delivery and implementation of recommendations reduces the audit's impact and can allow fraud to flourish or service delivery to deteriorate. Audit committees can play a key role in ensuring that auditors and officers collaborate effectively. This can enable auditors' reports to be dovetailed into the relevant service committee cycles and ensure that officers respond promptly to completed audit reports.

#### *Management response*

An audit committee can ensure that officers consider these recommendations promptly, and act on them where auditors have raised valid concerns.

#### *Implementation*

Agreed recommendations arising from audit work need to be implemented. Councils should have a forum for considering the contribution of internal and external audit and for ensuring that audit is, in practice, adding value to corporate governance.

Audit committees can be a powerful vehicle for securing implementation of audit recommendations and thereby improve the operation and delivery of Council activities.

## **CIPFA Technical Information Service Online**

### Audit Reporting

#### *Introduction*

Internal auditors should produce periodic summary reports of internal audit's opinion and major findings.

The...report could also be issued to senior management of the organisation but should primarily be issued to the audit committee to report upon the soundness or otherwise of the organisation's internal control system. This report will form the conclusion of the work undertaken by internal audit during the period of the report. A summary of the scope of this internal work should also be included in the report.

### *Periodic Internal Audit Reports*

Audit committees should not normally be provided with the full text of internal audit reports. Audit reports are mainly concerned with operational details while audit committees and members or non-executive directors should be concentrating on ensuring that the organisation's system of internal control is effective and that the strategic or corporate objectives are being achieved efficiently. Members or non-executive directors' interest in internal audit should normally be restricted to gaining an assurance that the organisation's systems of internal control are adequate and that where audit does not consider this to be the case that action is taken to ensure that any short comings are rectified promptly.

Audit committee members should not usually get involved in discussing individual internal audit findings or recommendations but should concentrate their attentions on the opinions internal audit express on the activities and systems they have reviewed. These opinions should be summarised and should provide a clear opinion on the overall quality of the organisation's internal control system and the general level of performance across the organisation. Members or non-executive directors should not be over concerned with adverse internal audit conclusions if reasonable recommendations suggested by internal audit have been accepted and that these have been promptly implemented.

If, however, major internal control weaknesses are discovered these should be reported to the audit committee as this may indicate general weaknesses in the management of the section or the department concerned. Audit findings that appear to show a common thread of similar weaknesses throughout the organisation should also be reported to the audit committee.



**INTERNAL AUDIT PROGRESS 2016/17: QUARTER 1****ANALYSIS OF PERFORMANCE****Time Spent: Audit Plan – Planned Vs Actual**

ACTIVITY	ANNUAL ALLOCATION (DAYS)	PROFILE ALLOCATION (DAYS)	ACTUAL TO DATE (DAYS)	VARIATION (DAYS)
<u>Planned Audit Work</u>	274.0	68.5	43.1	+25.4
<u>Other Time</u>				
Sundry audit advice	25.0	6.2	4.4	+1.8
Special investigations (e.g. Fraud/Irregularities)	20.0	5.0	20.2	-15.2
Corporate and departmental Initiatives	45.0	11.3	9.9	+1.4
Non-chargeable activities	106.0	26.5	28.0	-1.5
Leave and other absences	102.0	25.5	36.0	-10.5
<i>Total Other Time</i>	298.0	74.5	98.5	-24.0
<i>Total Time</i>	572.0	143.0	141.6	+1.4

**Time spent: Assignments Completed – Planned Vs Actual**

AUDIT ASSIGNMENT	DAYS PLANNED	DAYS TAKEN	UNDER (+) / OVER (-)
Administration of Housing Benefit & Council Tax Reduction	10.0	10.0	-
Business Applications: IDOX Planning, Building Control & Land Charges	8.0	7.9	+0.1
VAT Accounting	10.0	10.5	-0.5

**Explanation of variances where greater than 20% (unless within 2 days):**

Not applicable.

**Completion of Audit Plan: Target Vs Actual**

NO. OF AUDITS PER AUDIT PLAN	PROFILED TARGET COMPLETION		ACTUAL NO. COMPLETED TO DATE		VARIATION	
	NO.	%	NO.	%	NO.	%
38	6	15.0	3	7.9	3	-50.0

**SUMMARY OF RECOMMENDATIONS AND MANAGEMENT RESPONSES FROM INTERNAL AUDIT REPORTS**  
**ISSUED QUARTER 1, 2016/17**

<b>Report Reference</b>	<b>Recommendation</b>	<b>Risk Rating<sup>1</sup></b>	<b>Responsible Officer</b>	<b>Management Response and Target Implementation Date</b>
<b>Administration of Housing Benefit &amp; Council Tax Reduction – 30 June 2016</b>				
4.3.3.4	An agreement should be obtained from the relevant landlord stating that they will repay any relevant overpayments.	Low	Benefits & Fraud Manager	Staff will be reminded of this at the next team meeting. End of August 2016.
4.4.1.5	Staff should be reminded of the need to ensure that all information provided is accurately input onto the system.	Low	Benefits & Fraud Manager	Staff will be reminded of this at the next team meeting. End of August 2016.
<b>Business Applications: IDOX Planning, Building Control &amp; Land Charges – 30 June 2016</b>				
4.2.13 (1)	A core of no more than seven system administrators should be designated for the Acolaid system.	Medium	Development Manager	Agreed. The key issue here is reducing the number of administrators to an appropriate level without impacting on the most effective use of the system and as this is an on-going work in progress, it is therefore requested that the recommendation does not specify a specific number. October 2016.

<sup>1</sup> Risk Ratings are defined as follows:

- High: Issue of significant importance requiring urgent attention.  
Medium: Issue of moderate importance requiring prompt attention.  
Low: Issue of minor importance requiring attention.

<b>Report Reference</b>	<b>Recommendation</b>	<b>Risk Rating<sup>1</sup></b>	<b>Responsible Officer</b>	<b>Management Response and Target Implementation Date</b>
4.2.13 (2)	Appropriate training should be provided on the Acolaid security system for the designated administrators.	Medium	Development Manager	Agreed and in hand. October 2016.
4.2.13 (3)	A review of all current system access permissions should be commissioned and access levels restored to those appropriate to the roles of the respective users.	Medium	Development Manager	Agreed and part complete. October 2016.
4.3.8 (1)	The security object assigning 'Create' permission at <Application> level should be removed from the BCOfficers group and the individual users identified (details supplied separately).	Low	Development Manager (to assign to authorised system administrator)	To be discussed with the Head of Consortium. October 2016.
4.3.8 (2)	The security objects assigned individually to users in the BCOfficers group should be checked and those replicating the group security objects removed.	Low	Senior Building Control Officer (DT)	To be discussed with the Head of Consortium and Senior Building Control Officer. October 2016.
4.4.5 (1)	The feasibility of e-mail alerts to the system administrator on removal of leavers with Acolaid access from the corporate network should be explored.	Low	Development Manager (in consultation with Application Support Manager)	Agreed. In progress. October 2016.

<b>Report Reference</b>	<b>Recommendation</b>	<b>Risk Rating<sup>1</sup></b>	<b>Responsible Officer</b>	<b>Management Response and Target Implementation Date</b>
4.4.5 (2)	An annual review of active Acolaid user accounts should be performed supported by a report showing last login dates.	Low	Development Manager (in consultation with Application Support Manager)	Agreed. In progress. October 2016.
<b>VAT Accounting – 21 June 2016</b>				
4.5.7	A set of clear instructions should be compiled for the application of VAT free use of council facilities and issued to all relevant managers.	Medium	Assistant Accountant	The relevant VAT Guidance contains clear criteria on when VAT exemption can be applied to the letting of sports facilities. This will be used to provide clear guidance to managers. July 2016.
4.6.2	The monthly VAT return should be prepared and submitted by another member of staff at least annually.	Medium	Head of Finance / Assistant Accountant	Agreed. The Assistant Accountant responsible for checking the return has prepared it in the past but not on a regular basis. The frequency will be formalised going forward. July 2016.
4.8.5	The VAT Reference Manual should be reviewed and publicised with an Intranet notice.	Low	Assistant Accountant	Agreed. September 2016.
4.8.5	Staff should be encouraged to refer routine queries to the Assistant Accountant.	Low	Assistant Accountant	Agreed. Staff will be made aware of this via the intranet when the VAT Manual is relaunched. September 2016.

**CURRENT IMPLEMENTATION POSITION FOR LOW AND MEDIUM RISK RECOMMENDATIONS**  
**ISSUED IN QUARTER 2 2015/16**

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
<b>Housing Investment / Maintenance Programmes – 28 September 2015</b>		
Changes to programmes of works should be formally documented.	<i>Asset Manager:</i> Variation documentation is in place but appears to have fallen out of use under the open book contracts. All staff to be reminded to use formal documentation. October 2015.	Additions to and omissions from programmes of work continue to be formally recorded by each contract administrator.
The next payment in respect of the painting and decorating contract should be amended to include payment for the works undertaken at [REDACTED] (address).	<i>Contract Administrator:</i> It is reasonable for this to be concluded at final account stage. However, the Contract Administrator will include this on the next possible payment. October 2015.	Payment has been made and the final account for the scheme settled.
The proposed monthly budget monitoring meetings should be held going forward and requests from Finance for details of potential variances are responded to.	<i>Asset Manager / Principal Accountant:</i> Diary conflicts between the Asset Manager and the Principal Accountant prevented scheduled meetings from taking place. The Asset Manager will schedule new meetings and defend time for these meetings to take place despite evolving corporate priorities. October 2015.	Monthly budget monitoring meetings have been scheduled now that a permanent principle accountant is in post. Requests from finance made to the Asset Manager are always responded to and the new accountant is working proactively with the team to manage budgets.


RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
<b>Insurances – 1 September 2015</b>		
<p>The Insurance &amp; Risk Officer should obtain details of significant future high value investment programmes in relation to housing stock and future treasury investment plans to assess Fidelity Guarantee maximum limits, updating insurance cover if appropriate.</p>	<p><i>Head of Finance / Insurance &amp; Risk Officer:</i></p> <p>All indemnity levels are kept under review. In assessing the limit, account has to be taken of the controls in place and the amount of money which it is felt could be taken before the loss is discovered. Increasing the limit will increase the premium payable and could make insurers feel that we are not confident about our controls. Insurers have been asked to provide an indicative quote to double the sum insured – it has been made clear this is to assist us in considering the audit recommendation.</p> <p>Consideration could also be given to having a higher level of cover for specified staff having regard to the levels of expenditure that they can authorise. It would take time to assess who this would apply to and appropriate levels to apply. During the audit the auditor quoted many authorities as having a limit of £10m but most of these were unitary, metropolitan or county councils.</p> <p>The IARO will contact Insurance Officers at District and Borough authorities in the Midlands asking for details of their limit of indemnity so we can compare.</p> <p>Advice will also be taken from our broker.</p> <p>30 September 2015.</p>	<p>Risk to the authority considered and limits compared with other authorities and decision made 2/11/15 to keep limit at £5mill.</p>

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
The Insurance & Risk Officer should update the insurance procedures manual for hirer's liability, insurance excess and provisions.	<i>Insurance &amp; Risk Officer:</i> Hirers' liability notes have been produced. Notes on calculation on insurance provisions and reserve will be produced when estimate figures for 2015/16 are done. 31 December 2015.	Notes all produced by 14 <sup>th</sup> October 2015.
<b>Private Sector Housing Grants – 14 August 2015</b>		
Risks in respect of private sector housing grants evaluated and considered for incorporation in the Housing and Property Services Risk Register.	<i>Head of Housing and Property Services:</i> The risk register will be reviewed and updated to incorporate specific risks in relation to private sector housing grants. 01/10/2015.	Included in H&PS Risk Register Section 3 (Failure to comply with policy, statutory, and normative standards by staff or by WDC representatives). Risks managed by financial and management control of grants process – including means testing and client visits where necessary. Post inspection of works where necessary before payment is made.
The Housing Assessment Team project should be incorporated as a key project in the Service Delivery Plan for Housing and Property Services at the next drafting.	<i>Head of Housing and Property Services:</i> The 2015/16 Service Delivery Plan has been drafted for approval by Executive and includes the HAT project as a specific key project. 01/10/2015.	HAT (now HEART) included in the adopted Service Area Plan (Part Five – Improving Homes and Neighbourhoods). Provisional date for Exec report requesting transition from HAT to HEART September 2016

RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Staff should be instructed to carefully verify that all requisite formalities on each housing grant case are completed before closing the cases in the system.	<p><i>Private Sector Housing Manager/ HAT Project Manager:</i></p> <p>Staff have been reminded of what actions they need to take before closing cases. There will be a 100% check of completed DFG's over £5,000, until the end of the pilot on 31/03/16.</p> <p>We are seeking technical assistance to amend the APP Civica system templates so that a case cannot be closed until the required actions have been completed. The HAT Project Manager has a meeting with the APP Civica Administrator on 24/08/15 to progress this work.</p> <p>Immediate.</p>	<p>There has been a 100% check of completed DFGs over £5,000 up to 31/03/16. The pilot has been extended until 31/03/17 and the 100% check of these cases will continue until the end of the pilot.</p> <p>The APP Civica system templates have been amended so that a case cannot be closed until the required actions have been completed.</p>
<b>Estate Management – 25 August 2015</b>		
Completion of weekly and weekend site inspection reports should be reintroduced and monitored.	<p><i>Housing Support Team Manager:</i></p> <p>This can start straight away and DMC will collate the data as it comes back. 30/09/2015.</p>	<p>Following the redesign of the Estates Management team there are no longer site-based estates supervisors. These have been replaced by Neighbourhood Officers who now visit all 279 blocks of WDC-owned flats once a month. A fire risk assessment form will be completed on this visit so the weekly checks on sites will cease. Our Category one high-rises (anything over 8 storeys) will still get weekend inspections and site inspection reports will be completed.</p>



RECOMMENDATIONS	INITIAL MANAGEMENT RESPONSE incl. PLANNED IMPLEMENTATION DATE	CURRENT STATE OF IMPLEMENTATION PER MANAGER
Minutes of Estate Supervisor quarterly meetings should be taken and distributed as appropriate.	<i>Housing Support Team Manager:</i> This will start from the next team meeting; this will probably be after the re-design has been completed in December. January 2016.	This is ongoing with the new manager completing and recording them.
An up-to-date inventory of furniture and equipment should be compiled and a copy forwarded to the Insurance Officer. Once compiled it should be updated and forwarded at least annually.	<i>Housing Support Team Manager:</i> This is currently underway by business support team. December 2015.	No further response required.
The Estate Supervisors should be reminded of the importance of using the Tunstall lone worker system and compliance should be monitored.	<i>Housing Support Team Manager:</i> I have asked for a report for past 3 months to monitor use and advise the team. 30/09/2015.	Lone worker reports are run ad hoc to make sure the staff are using the system and discussed with them. There is a new lone worker system being trailed which is constantly connected and sends a signal constantly to our control centre of the GPS location. It has panic button facilities that in the future will alleviate the need for the current reports.
<b>Customer Access Facilities – 30 September 2015</b>		
The annual orders for CTalk and Firmstep should be amended to reduce the outstanding commitment.	<i>Policy &amp; Performance Officer:</i> The Policy & Performance Officer is to speak to the Assistant Accountant to rectify this error. 30/09/15.	This was sorted before the end of the 2015/16 financial year.

 <b>FINANCE &amp; AUDIT SCRUTINY COMMITTEE 31 August 2016</b>		<b>Agenda Item No.</b>  <b>5</b>
<b>Title</b>		Annual Governance Statement Action Plan 2016/17: Review of Progress
<b>For further information about this report please contact</b>		Richard Barr Tel: (01926) 456815 E Mail: richard.barr@warwickdc.gov.uk
<b>Wards of the District directly affected</b>		All
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>		No
<b>Date and meeting when issue was last considered and relevant minute number</b>		8 March 2016
<b>Background Papers</b>	Accounts and Audit (England) Regulations 2015 Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE 2007) Delivering Good Governance in Local Government: Framework (Addendum) (CIPFA/SOLACE 2012) Delivering Good Governance in Local Government: Framework and Guidance Note for English Authorities (CIPFA/SOLACE 2012) The Annual Governance Statement – Rough Guide for Practitioners (CIPFA Financial Advisory Network) Minutes of Senior Management Team	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	No (N/A: no direct service implications)

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Chief Executive/Deputy Chief Executive	11 Aug 2016	Chris Elliott / Andrew Jones
Head of Service	11 Aug 2016	SMT
Monitoring Officer	11 Aug 2016	Andrew Jones
Human Resources		
Section 151 Officer	11 Aug 2016	Mike Snow
Finance	11 Aug 2016	As S151 Officer
Portfolio Holder(s)	11 Aug 2016	Councillors Mobbs and Whiting

<b>Consultation &amp; Community Engagement</b>	
Senior Management Team review of Annual Governance Statement Action Plan	
<b>Final Decision?</b>	Yes
<b>Suggested next steps (if not final decision please set out below)</b>	

## **1 Summary**

- 1.1 The purpose of this report is for Committee to review the progress that is being made in addressing the 'Significant Governance Issues' facing the Council set out in its Annual Governance Statement 2015/16. The appendix accompanying this report sets out the progress in addressing the Significant Governance Issues.

## **2 Recommendations**

- 2.1 That Committee should review the Action Plan set out in the Appendix and confirm whether it is satisfied with the progress being made in addressing the Significant Governance Issues relating to the Annual Governance Statement 2015/16.

## **3 Reasons for the Recommendations**

- 3.1 To help fulfil Members' responsibility for effective corporate governance within the Council.
- 3.2 To provide assurance to Members that governance issues identified as part of the compilation of the Annual Governance Statement are being addressed.

## **4 Policy Framework**

- 4.1 The Annual Governance Statement describes governance arrangements relating to the Council's corporate priorities and key strategic projects that are reflected in Fit for the Future. The Fit for the Future programme is also based on an agreed set of values amongst which are the ones of openness and honesty. This is integral to the consideration of governance in an organisation; governance issues needs to be discussed and debated and mitigations put in place in order to prevent or rectify weaknesses.
- 4.2 The arrangements will assist the Council in furtherance of its priority of providing clear community leadership and effective management of resources whilst delivering responsive public services in an open and transparent manner.

## **5 Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, an effective Budgetary Framework is a key element of corporate governance. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

## **6 Risks**

- 6.1 Risk management is an intrinsic element of corporate governance. There are various risks associated with the Significant Governance Issues and these not being addressed satisfactorily.

## **7 Alternative Options Considered**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

## 8 **Corporate Governance in Local Authorities**

- 8.1 CIPFA/SOLACE emphasise that corporate governance is everyone's business and define it as:

*"How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities."* CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives)

- 8.2 CIPFA/SOLACE has issued a framework and guidance on delivering good governance in local government. The framework is built on the six core principles set out in the Good Governance Standard for Public Services that were themselves developed from earlier work by Cadbury and Nolan. The principles in relation to local government as set out in the framework are:

- a clear definition of the body's purpose and focusing on the outcomes for the community and creating and implementing a vision for the local area;
- members and officers are working together to achieve a common purpose with clearly defined functions and roles;
- promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- developing the capacity and capability of members and officers to be effective;
- engaging with local people and other stakeholders to ensure robust public accountability.

Both the Annual Governance Statement and the Council's Code of Corporate Governance reflect these six themes.

## 9 **Annual Governance Statement**

- 9.1 The production of an Annual Governance Statement is a statutory requirement for local authorities (Regulation 6 of The Accounts and Audit (England) Regulations 2015).
- 9.2 The CIPFA Financial Advisory Network has published an advisory document entitled "The Annual Governance Statement: Rough Guide for Practitioners". Its advice is that the Annual Governance Statement is a key corporate document and the most senior member and the most senior officer (Leader and Chief Executive respectively) have joint responsibility as signatories for its accuracy and completeness. It advises that it should be owned by all senior members and officers of the authority and that it is essential that there is buy-in at the top level of the organisation. It advises that the work associated with its production should not be delegated to a single officer.

- 9.3 The Leader and Chief Executive of the Council as signatories to the Annual Governance Statement need to ensure that it accurately reflects the governance framework for which they are responsible. In order to achieve this they will rely on many sources of assurance, such as that from:
- Deputy Chief Executives and Service Area Managers
  - the Responsible Financial Officer
  - the Monitoring Officer
  - Members
  - the Audit and Risk Manager
  - performance and risk management systems
  - third parties, e.g. partnerships
  - external audit and other review agencies.

## 10 **The Significant Governance Issues**

- 10.1 The governance issues facing the Council have been identified from production of the statutory Annual Governance Statement.
- 10.2 The Significant Governance Issues are summarised in the Annual Governance Statement Action Plan for 2016/17 that forms part of the Annual Governance Statement for 2015/16.
- 10.3 The Annual Governance Statement (incorporating the Action Plan setting out the Significant Governance Issues) has been approved by Full Council.
- 10.4 The appendix accompanying this report sets out the progress in addressing the Significant Governance Issues.
- 10.5 The progress in addressing these governance issues is reported by the officers who are leading on them.

**Annual Governance Statement 2015/16: Action Plan for Significant Governance Issues**  
**Review of Progress to end of June 2016**

AGS Ref.	Significant Governance Issue (SGI)	Responsible Officer	Progress Implementing Significant Governance Issue	
			Position at previous quarter	Position at end June 2016
5.1-1	The call-in process to be examined in respect of Executive and Council decisions.	Civic & Committee Services Manager (DMO) (Overseen by Deputy Chief Executive (AJ))	Not applicable – new SGI.	The proposal is now for the final change to be agreed by Council on 16 November. This is to allow Group Leaders and Overview & Scrutiny Committees time to consider the proposals, prior to the Executive considering them. This is because call in is way of holding Executive to account and therefore they should have input into any proposals that come forward.
5.1-2	Service Area Crisis Plans to be updated and kept under regular review.	Service Area Managers / Interim Environmental Sustainability Team Leader (Overseen by CMT)	Not applicable – new SGI.	Neighbourhood Services – updated June 2016 Finance – updated July 2016 Health and Community Protection – updated August 2016 CEX Office (HR) – completed March 2016 CEX Office (Democratic Services) – completed April 2016 CEX Office (ICT Services) – completed August 2016 Cultural Services – completed August 2016 Housing & Property Services and Development Services – plans to be reviewed and updated before the end of 2016.

 <b>FINANCE AND AUDIT SCRUTINY</b> <b>31 AUGUST 2016</b>		<b>Agenda Item No.</b> <b>6</b>
<b>Title</b>	Risk Management Annual Report 2015/16	
<b>For further information about this report please contact</b>	Richard Barr Audit & Risk Manager Tel: 01926 456815 email: <a href="mailto:richard.barr@warwickdc.gov.uk">richard.barr@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	Not applicable	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Finance & Audit Scrutiny Committee – 3 November 2015. Last report for consideration of Significant Business Risk Register: Executive – 6 April 2016. Consideration of Risk Management Review Report: Finance & Audit Scrutiny Committee – June 2016.	
<b>Background Papers</b>	WDC risk management policy & guidelines. Minutes of Risk Management Group meetings.	
<b>Contrary to the policy framework:</b>	No	
<b>Contrary to the budgetary framework:</b>	No	
<b>Key Decision?</b>	No	
<b>Included within the Forward Plan? (If yes include reference number)</b>	No	
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	N/A: no direct service implications	

Officer/Councillor Approval		
With regard to report approval all reports <i>must</i> be approved as follows		
Title	Date	Name
Chief Executive/Deputy Chief Executive	11 Aug 2016	Chris Elliott
Head of Service	11 Aug 2016	Mike Snow
CMT	11 Aug 2016	CMT
Section 151 Officer	11 Aug 2016	Mike Snow
Monitoring Officer	11 Aug 2016	Andrew Jones
Finance	11 Aug 2016	As S151 Officer
Portfolio Holder(s)	11 Aug 2016	Councillor Andrew Mobbs and Councillor Peter Whiting
Consultation & Community Engagement		
None other than consultation with members and officers listed above.		
Final Decision?		Yes
Suggested next steps (if not final decision please set out below) N/A		



## 1 **Summary**

- 1.1 This report updates the Risk Management Strategy (Appendix A) for implementing and embedding risk management throughout the organisation. The report also contains details of an external review that was performed during the year. The review provided an independent assessment of the Council's risk management arrangements leading to the identification of areas for improvement that provides the basis of an action plan.

## 2 **Recommendations**

- 2.1 That Members note the report and its contents, in particular that which sets out members' responsibility for risk management.
- 2.2 That Members affirm the Council's Risk Management Strategy (Appendix A).
- 2.3 That Members confirm they are satisfied with the progress being made in embedding risk management in the Council, noting the activities undertaken during the year that help to embed risk management (Appendix B) and the progress made to date in completing the current Risk Management Strategic Action Plan (Appendix C).
- 2.4 That Committee notes that the report will be forwarded to Executive for its consideration on 28 September 2016.

## 3 **Reason for Recommendations**

- 3.1 Members are responsible for overseeing the organisation's risk management arrangements – see Section 8, 'Responsibility for Risk Management', below.
- 3.2 The external Review of Risk Management was reported to Finance and Audit Scrutiny Committee in June. The action plan coming out of this review is proposed to form the basis of the updated Risk Management Action Plan.
- 3.3 Within Appendix C, Members will note that a number of planned actions have been rescheduled. This is largely due to the re-prioritisation of the Audit & Risk Manager's work, principally undertaking the investigation into the procurement of the electrical maintenance & repair contract.

## 4 **Policy Framework**

- 4.1 Although there are no direct policy implications, risk management is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

## 5 **Budgetary Framework**

- 5.1 Although there are no direct budgetary implications arising from this report, risk management performs a key role in corporate governance

including that of the Budgetary Framework. An effective risk management framework helps to ensure that the Authority manages its resources and achieves its objectives economically, efficiently and effectively.

- 5.2 There was no direct cost associated with the review referred to in the report as the providers of the review, Zurich Insurance, completed it from the allocation they offer to the Council for risk management advice.

## 6 **Risks**

- 6.1 The purpose of the report is to comment on the Council's effectiveness in managing its risks.

## 7 **Alternative Options(s) Considered**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

## 8 **Responsibility for Risk Management**

- 8.1 In its management paper, "Worth the risk: improving risk management in local government", the Audit Commission sets out clearly the responsibilities of members and officers. Although the Audit Commission has since been abolished its guidance is still relevant.

"Members need to determine within existing and new leadership structures how they will plan and monitor the council's risk management arrangements. They should:

- decide on the structure through which risk management will be led and monitored;
- consider appointing a particular group or committee, such as an audit committee, to oversee risk management and to provide a focus for the process;
- agree an implementation strategy;
- approve the council's policy on risk (including the degree to which the council is willing to accept risk);
- agree the list of most significant risks;
- receive reports on risk management and internal control – officers should report at least annually, with possibly interim reporting on a quarterly basis;
- commission and review an annual assessment of effectiveness: and
- approve the public disclosure of the outcome of this annual assessment, including publishing it in an appropriate manner.

The role of senior officers is to implement the risk management policy agreed by members.

It is important that the Chief Executive is the clear figurehead for implementing the risk management process by making a clear

and public personal commitment to making it work. However, it is unlikely that the Chief Executive will have the time to lead in practice and, as part of the planning process, the person best placed to lead the risk management implementation and improvement process should be identified and appointed to carry out this task. Other people throughout the organisation should also be tasked with taking clear responsibility for appropriate aspects of risk management in their area of responsibility.”

## 9 **Progress to Date**

- 9.1 The overriding objective for risk management is to embed it within the organisation so that it is a seamless, but fundamental, part of the organisation’s processes and not viewed as a separate bureaucratic activity with little value. However, as with all objectives of this nature, there is no specific picture of what a fully risk-embedded organisation looks like and the goal of embedding risk management is an ongoing journey rather than one with a definite ending.
- 9.2 To help achieve the objective of embedding risk management the Council has a Risk Management Strategy, set out as Appendix A to this report.
- 9.3 Within the Strategy is an action plan that details the tasks necessary to advance risk management. Members are required each year to review the Strategy and review the progress made in the action plan. The action plan is set out as Annexe 1 within Appendix A.
- 9.4 The action plan is based on the areas for improvement identified from a recent appraisal of the Council’s risk management arrangements undertaken by a risk management consultant within Zurich Insurance.
- 9.5 The evaluation was based on assessing the Council against the ALARM’s<sup>1</sup> National Performance Model for Risk Management in Public Services that breaks down risk management activity into seven strands:
  - Leadership and management
  - Strategy and policy
  - People
  - Partnership, shared risks and resources
  - Processes and tools
  - Risk handling and assurance
  - Outcomes and delivery
- 9.6 Under each strand, answers to a series of questions identify the level of maturity the organisation has reached.
- 9.7 Further details are set out in Annexe 1 to Appendix A.
- 9.8 The level of maturity is assessed at one of the following (in ascending order of maturity):
  - Engaging

---

<sup>1</sup> Association of Local Authority Risk Managers

- Happening
- Working
- Embedded & Integrated
- Driving

- 9.9 In previous years an annual action plan was based on an internal self-assessment of the Council's risk management arrangements. Although this had been useful, in order to provide greater rigour it was felt that we should submit ourselves to an external, independent, assessment.
- 9.10 With a review planned during the year and that forming the basis of future years' actions for improvement, it was proposed in last year's Risk Management Annual Report that, for the first time, we did not produce an action plan for that year but instead focus our attention on the external review.
- 9.11 It was also considered, as described in the Annual Report for last year, that drawing up an action plan whilst a review is about to start, or is in progress, could be seen as pre-judging, and thereby prejudicing, the outcome of the review.
- 9.12 Now that the review has been completed the action plan resulting from it is to be used to drive improvements over the next few years.
- 9.13 The results of the external review together with the accompanying action plan have already been reported to Finance & Audit Scrutiny Committee. This was on 1 June 2016. The action plan, forming, as it does, the action plan for the Risk Management Strategy, is set out as Annexe 1 to Appendix A.
- 9.14 As with previous Risk Management action plans, Members will receive annual updates on progress in implementing this action plan. A review of the progress to date is set out as Appendix C. It should be noted that the Action Plan is strategic in nature and that several of the actions are not scheduled for completion in the short term.
- 9.15 There are, of course, numerous activities being carried out on a day-to-day basis that follow risk management principles or that help to embed risk management in the organisation. These activities are summarised in Appendix B and are divided into corporate initiatives and service-led initiatives.

## 10 **Conclusions**

- 10.1 The accepted wisdom is that risk management arrangements should be embedded in the culture of the organisation and not separate 'bolt on' activities. Clearly this is not an easy objective to achieve and with the philosophy that "risk management is an ongoing journey rather than one with a fixed destination" it is important that we continue to make good progress in implementing risk management within the Authority. This report provides strong evidence of that.

## WARWICK DISTRICT COUNCIL RISK MANAGEMENT STRATEGY

### **Purpose of strategy**

The purpose of the strategy is to embed risk management in the Authority by establishing a risk management framework that provides:

- n an efficient control environment
- n the overt allocation of accountability for risk management throughout the organisation
- n a well-established risk assessment process
- n performance monitoring of risk management activity
- n communications process to support risk management

*An action plan to advance risk management in the organisation is set out as Annexe 1.*

### **Definition and scope of risk management**

The Council has adopted the Audit Commission's definition of risk and risk management as contained in its Management Paper, 'Worth the risk: improving risk management in local government'. Although the Audit Commission has been recently abolished its definition of risk is still relevant and relied upon by many organisations.

*Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled. It is a key element of the framework of governance together with community focus, structures and processes, standards of conduct and service delivery arrangements.*

*The overall process of managing risk can be divided into:*

- § *Risk analysis, or assessment, which includes the identification, estimation and evaluation of the risks; and*
- § *Risk management that encompasses the planning, monitoring and controlling activities based on the information derived from risk analysis.*

### **Aims and objectives**

The risk management policy of Warwick District Council is to adopt best practices in the identification, evaluation, and cost-effective control of risks to ensure that they are eliminated or reduced to an acceptable level.

It is acknowledged that some risks will always exist and will never be eliminated. All employees must understand the nature of risk and accept responsibility for risks associated with their area of authority. The necessary support, assistance and commitment of senior management will be provided.

The risk management objectives of the Council are to:

- § integrate risk management into the culture of the Council
- § manage risk in accordance with best practice
- § consider legal compliance as a minimum standard
- § anticipate and respond to changing social, environmental and legislative requirements
- § prevent injury and damage and reduce the cost of risk
- § raise awareness of the need for risk management.

These objectives will be achieved by:

- § establishing a risk management organisational structure to act in an advisory and guiding capacity which is accessible to all employees
- § including risk management as an agenda item at meetings as appropriate
- § continuing to demonstrate the application of risk management principles
- § providing risk management awareness training
- § maintaining documented procedures for the control of risk and the provision of suitable information, training and supervision
- § maintaining an appropriate incident reporting and recording system, with investigation procedures to establish cause and prevent recurrence
- § preparing contingency plans in areas where there is a potential for an occurrence having a catastrophic effect on the Council and its service delivery capability
- § maintaining effective communication
- § monitoring arrangements on an ongoing basis

### **Definition of the Council's risk appetite**

An organisation's risk appetite is the amount of risk that it is prepared to take in order to achieve its objectives. Defining the organisation's risk appetite provides the strategic framework for effective decision-making. Risk appetites for local authorities will also be lower due to the regulatory nature of most services and because of their stewardship obligations for public resources. However, local authorities may be forced to take risks beyond their choosing to comply with central government directives or to satisfy public expectations of improved services.

Warwick District Council's risk appetite is determined by individual circumstances. In general terms, the Council's approach to providing services is to be innovative and to seek continuous improvement within a framework of

robust corporate governance. This framework includes risk management that identifies and assesses risks appertaining to actions being considered or proposed. Decisions on whether to proceed with such actions are only taken after the careful assessment of the identified risks and an analysis of the risks compared to the benefits.

However, in all circumstances:

§ The Council would wish to manage its financial affairs such that no action will be taken that would jeopardise its ability to continue to provide services within its available resource; and

§ The Council would wish to secure the legal integrity of its actions at all times.

### **Roles and responsibilities**

The following groups and individuals have the following roles and responsibilities for risk management within the Council.

#### Executive

To oversee the effective management of risk throughout the Council; to hold the corporate management team accountable for the effective management of risk by officers of the Council.

#### Finance and Audit Scrutiny Committee

To scrutinise and review the management of risk on behalf of Executive.

#### Elected Members

To promote the importance of risk management in all that the Council does; to champion the cause of risk management.

#### Chief Executive

To be the clear figurehead for implementing the risk management process by making a clear and public personal commitment to making it work.

#### Senior Management Team

To ensure that the Council manages risk effectively through the development of a comprehensive risk management strategy; to monitor delivery by receiving reports from the risk management group.

#### Risk champion<sup>2</sup>

To champion the cause of risk management within the Council, particularly at the strategic level; to take personal responsibility for ensuring that the risk management objectives as set out in the policy are achieved.

---

<sup>2</sup> This officer is the Deputy Chief Executive (AJ)

### Risk manager<sup>3</sup>

To support the Council and its departments and services in the effective development, implementation and review of the risk management strategy.

### Risk management group

To determine, implement and review the Council's risk management policy and its risk management strategy. The risk management group is responsible for developing specific programmes and procedures for establishing and maintaining risk management activities. This group will ensure the dispersal of vital information and, where appropriate, provide guidance, interpretation and understanding of the systems involved.

*The terms of reference of this group are set out as Annexe 2.*

### Departmental management teams

To ensure that risk is managed effectively in each service area within the agreed risk management strategy; to report to the Risk Management Group on how hazards and risks have been managed within their service area.

### Service managers

To manage risk effectively in their particular service areas; to report on how hazards and risks have been managed to their Departmental Management Team or directly to the Risk Management Group.

### Employees

To manage risk effectively in their jobs and report hazards and risks to their service managers

### Insurance & Risk officer

To advise on practices which will minimise the likelihood of adverse events occurring and arrange insurance cover where necessary and appropriate.

*The responsibilities of the various groups and individuals are summarised in the table that is included as Annexe 3.*

---

<sup>3</sup> This officer is the Audit and Risk Manager.



## **Methodology for identifying and assessing risk**

### **Risk Identification and Categorisation**

Risks can be categorised under strategic and operational.

**Strategic risks** are those risks identified as potentially damaging to the achievement of the Council's objectives. These can be sub-classified into:

- Political
- Social
- Legislative
- Competitive
- Economic
- Technological
- Environmental
- Customer/citizen

**Operational risks** are those risks that should be managed by departmental officers who will be responsible for operating and maintaining the services. These can be sub-classified into:

- Professional
- Legal
- Contractual
- Environmental
- Financial
- Physical
- Information

### **Risk Assessment**

For risk registers, the following definitions are applied for the measurement of risk in respect of probability and consequences:

#### **Probability of Occurrence**

<b>Estimation</b>	<b>Description</b>	<b>Indicators</b>
5: High (Probable)	Likely to occur each year (e.g. considered as more than 50% chance of occurrence in any year).	<ul style="list-style-type: none"><li>• Potential of it occurring several times within the specified period (for example - ten years).</li><li>• Has occurred recently.</li></ul>
4: Medium to High	Apply judgement	Apply judgement
3: Medium (Possible)	Likely to occur during a 10 year period (considered as between 5% and 25% chance of occurrence in any year).	<ul style="list-style-type: none"><li>• Could occur more than once within the period (for example - ten years).</li><li>• Could be difficult to control due to some external influences.</li><li>• There's a history of occurrence.</li></ul>
2: Low to Medium	Apply judgement	Apply judgement
1: Low (Remote)	Not likely to occur in a 10 year period (considered as less than 2% chance of occurrence in any year).	<ul style="list-style-type: none"><li>• Has not occurred.</li><li>• Unlikely to occur.</li></ul>

## Consequences

Estimation	Description
5: High	<ul style="list-style-type: none"> <li>Financial impact on the organisation is likely to exceed £500K</li> <li>Significant impact on the organisation's strategy or operational activities</li> <li>Significant stakeholder concern</li> </ul>
4: Medium to High	Apply judgement
3: Medium	<ul style="list-style-type: none"> <li>Financial impact on the organisation likely to be between £100K and £250K</li> <li>Moderate impact on the organisation's strategy or operational activities</li> <li>Moderate stakeholder concern</li> </ul>
2: Low to Medium	Apply judgement
1: Low	<ul style="list-style-type: none"> <li>Financial impact on the organisation likely to be less than £10K</li> <li>Low impact on the organisation's strategy or operational activities</li> <li>Low stakeholder concern</li> </ul>

## **Annexe 1: Risk Management Strategic Action Plan**

Through the CIPFA Risk Management Benchmarking Club the Council's risk management arrangements were appraised. Areas for improvement were identified from the analysis and these formed the components of a comprehensive action plan.

The benchmarking is based on ALARM's National Performance Model for Risk Management in Public Services published in 2009. This in turn is based on the "Risk Management Assessment Framework", developed by HM Treasury in 2002, itself having its genesis in the EFQM approach.

It breaks down risk management activity into seven strands:

- Leadership and management
- Strategy and policy
- People
- Partnership, shared risks and resources
- Processes and tools
- Risk handling and assurance
- Outcomes and delivery

Under each strand the level of maturity the organisation has reached is identified.

The level of maturity is assessed as being at one of the following five levels (in ascending order of maturity):

- Level 1: Risk management is **engaging** with the organisation
- Level 2: Risk management is **happening** within the organisation
- Level 3: Risk management is **working** for the organisation
- Level 4: Risk management is **embedded and integrated** within the organisation
- Level 5: Risk management is **driving** the organisation

In overall terms the review has assessed us at the middle level of maturity, "Working".

The typical organisational behaviours associated with the "Working" level of maturity are as follows:

Management Activity	Typical Organisational Behaviours
<b>Leadership and Management</b>	Senior managers take the lead to apply risk management thoroughly across the organisation. They own and manage a register of key strategic risks and set the risk Appetite.
<b>Strategy and Policy</b>	Risk management principles are reflected in the organisation's strategies and policies. Risk framework is reviewed, developed, refined and communicated.

<b>People</b>	A core group of people have the skills and knowledge to manage risk effectively and implement the risk management framework. Staff are aware of key risks and responsibilities
<b>Partnership, Shared Risks and Resources</b>	Risk with partners and suppliers is well managed across organisational boundaries. Appropriate resources are in place to manage risk.
<b>Processes</b>	Risk management processes used to support key business processes. Early warning indicators and lessons learned are reported. Critical services supported through continuity plans
<b>Risk Handling and Assurance</b>	Clear evidence that risk management is being effective in all key areas. Capability-assessed within a formal assurance framework and against best practice standards.
<b>Outcomes and Delivery</b>	Clear evidence that risk management is supporting the delivery of key outcomes in all relevant areas.

In many ways, this level of assessment is not surprising; embedding risk management fully in any organisation will always be a journey rather than an arrived destination and to achieve near-full compliance would require bureaucratic processes and a level of staffing that is not desirable, or even feasible, in an organisation of Warwick District Council's size.

Nevertheless, addressing the areas that have been identified for improvement will help the Council improve its practices significantly.

The action plan overleaf summarises the findings and recommendations from the review and sets out the actions planned to address them together with target dates for completion.

## Risk Management Strategic Action Plan

Recommendation	Action	Timescale	Responsibility / Resources
<b>1. Undertake further work to define the risk appetite for the organisation and what that means in terms of decision making.</b>	Commission external expertise to help define organisational risk appetite. Issue paper to SMT recommending that course of action.	May 2016.	Audit & Risk Manager / SMT.
<b>2. Consider opportunities for integrating risk management and performance management reporting.</b>	Opportunities to be explored and discussions to be had with Organisational Development Team.	August 2016.	Audit & Risk Manager.
<b>3. Re-iterate the guidance on completion of the risk section within committee papers to drive quality of risk assessments.</b>	Guidance to be extended and re-issued.	By end of June 2016.	Audit & Risk Manager.
<b>4. Consider splitting the existing strategy into separate documents covering policy (longer term aims) and framework (tools).</b>	Recommendation considered but not implemented: These elements are clearly identified in the Strategy and it is not apparent what benefit will be gained from creating separate documents.	Considered June 2016.	Audit & Risk Manager.
<b>5. Improve communications about risk management principles e.g. through the intranet or desktop guides.</b>	Information and guidance on risk management principles and practices to be communicated to staff and members via new intranet.	Immediately and ongoing.	Audit & Risk Manager.
<b>6. Review the role and effectiveness of the Risk Management Group.</b>	Self-review to be undertaken following recognised good practice.	By end of March 2017.	Audit & Risk Manager Risk Management Group.

<b>7. Allocate individual SMT owners to risks on the significant business risks register.</b>	Senior Management Team to undertake.	By end June 2016.	Senior Management Team.
<b>8. Consider whether some of the principles applied to contract risk management can be applied equally to partnerships.</b>	Issue to be examined and, if possible, addressed.	By September 2017.	Audit & Risk Manager.
<b>9. Review the mechanisms by which the Insurance &amp; Risk Officer can input further to strategic risks and decision making.</b>	Insurance & Risk Officer to engage more closely in risk management process including issuing quarterly report to SMT on insurance claims and risk management lessons learned.	Immediately and ongoing.	Audit & Risk Manager.
<b>10. Consider the specific application of risks on the significant business risk register to individual service areas.</b>	SMT to consider at future meeting that reviews SBRR.	By end June 2016.	Senior Management Team.
<b>11. Increase the visibility of risk registers to enable common risk types to be identified across the organisation.</b>	Risk registers to be made available on intranet to all staff and, if possible, councillors.	September 2016.	Audit & Risk Manager.
<b>12. Review the criteria for evaluating project risks to make it more specific to time, cost and quality of delivery.</b>	Approach to project risk assessment to be reviewed.	September 2017.	Audit & Risk Manager.

<b>13. Include the target risk level in reporting to aid understanding of when additional management actions should and should not be considered.</b>	Issue to be explored as part of risk appetite work.	July 2016.	Audit & Risk Manager.
<b>14. In evaluating risks ensure that the full range of impacts is considered.</b>	Risk assessment criteria to be reviewed with the possibility of extending the range of potential impacts.	By end of July 2016.	Audit & Risk Manager.

## **Annexe 2: Risk Management Group - Terms of Reference**

The terms of the reference of the risk management group comprises:

### ***Overall aim***

- § To ensure that effective Risk Management is in place across the Council.

### ***Membership***

- § The Group will comprise representatives from key services across the Council.

### ***Specific Objectives and Responsibilities***

- § Promote best practice in the management of risks.
- § Assist in the identification and evaluation of risks that could threaten achievement of the Council's objectives.
- § Help develop, implement and review the corporate risk management strategy and policy.
- § Help managers maintain and develop their risk registers by periodically reviewing them and making recommendations on their improvement.
- § Review events and disseminate information regarding lessons learnt in an attempt to help services improve on the management of risk.
- § Compile and implement an annual work plan that helps to embed risk management in the organisation.
- § Help create a risk-aware culture by, for example, instilling in staff the need to manage risks in their jobs.
- § Identify cross-cutting and strategic risks for the attention of senior management.
- § Make recommendations to management on practices and procedures that it is intended will improve the management of risks within Warwick District Council.
- § Oversee the development and implementation of a consistent approach to risk management across the Council's services.



### **Annexe 3: Summary of Responsibilities**

	Develop the corporate risk management strategy	Agree the corporate risk management strategy	Provide advice and support on strategy development and implementation	Implement the strategy	Share experience of risk and risk management issues	Review the effectiveness of the strategy
Elected members / Executive		\$				\$
Chief Executive		\$		\$		\$
Senior management team	\$	\$		\$		\$
Risk champion	\$		\$	\$	\$	\$
Audit & Risk Manager	\$		\$	\$	\$	\$
Risk management group	\$		\$	\$	\$	\$
Departmental management teams				\$	\$	\$
Service managers				\$	\$	\$
Employees				\$	\$	
Insurance & Risk Officer			\$	\$	\$	

## **Other Activities Undertaken During the Year to Embed Risk Management**

### ***Corporate Activities***

#### **Programme of Service Risk Register Reviews**

The Finance & Audit Scrutiny Committee has continued its programme of service risk register reviews. This has proved to be a very effective process that has raised significantly the profile of risk management throughout the organisation and the value derived from it. The programme of reviews is now well into the second cycle so Committee are able to assess the extent of improvements that services have made to their risk registers and to their processes for managing risks.

#### **Risk Management Group**

The Council has a Risk Management Group comprising representatives from services whose key aim is to champion risk management throughout the organisation.

#### **Risk Management Training**

Although outside of the period that the annual report covers, a risk management training session was provided to members of the Risk Management Group to further equip them with the skills to fulfil their role.

#### **Committee Reports Risk Template**

Committee reports are now required to detail the risk management implications in respect of the issues contained in the report. This requirement raises the profile of risk management and helps to ensure the proper consideration of risks when embarking on new projects or developing strategies and policies.

#### **Project Risk Registers**

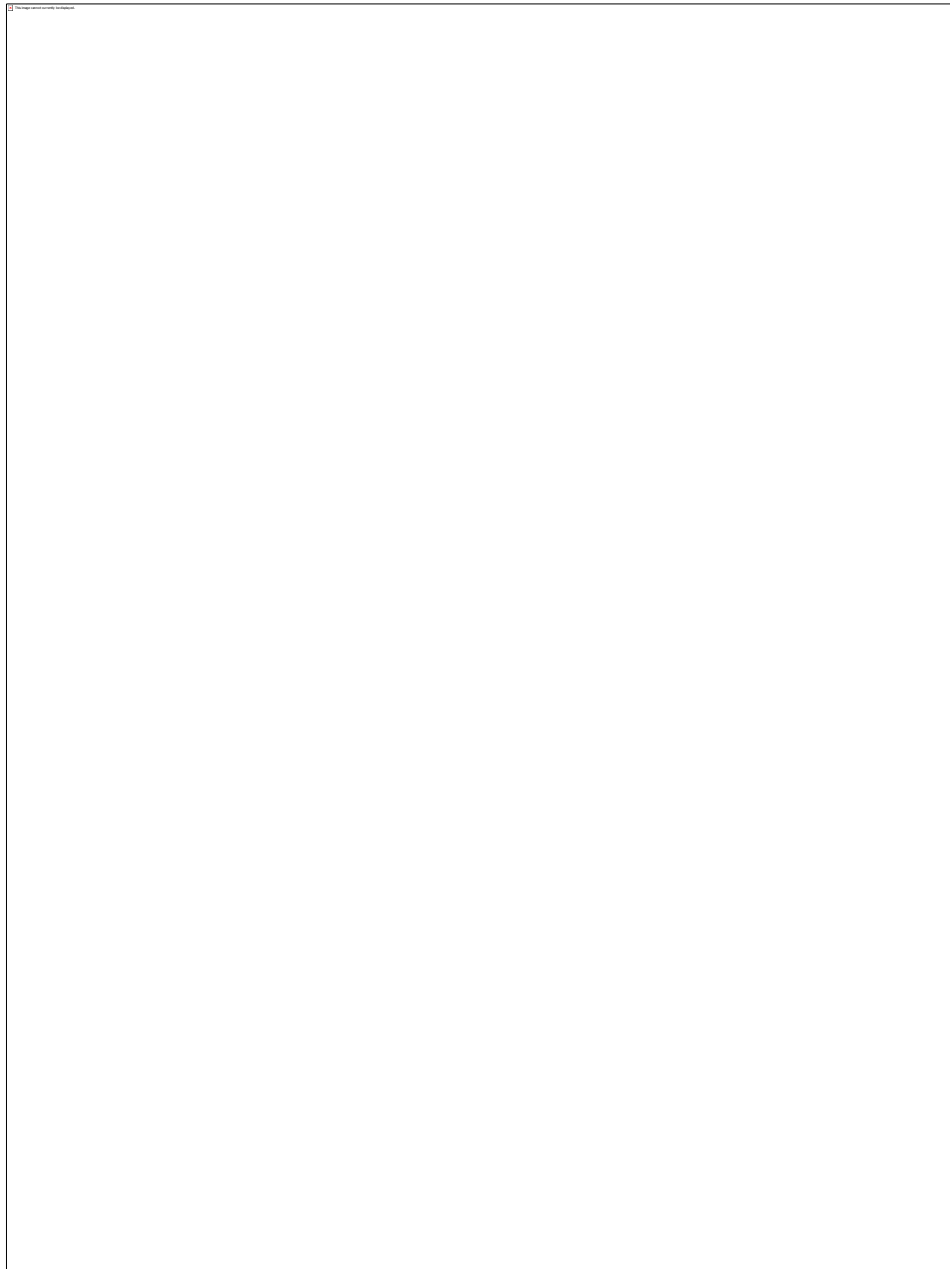
Project risk registers are now routinely in place for specific projects such as the Local Plan and the England Bowls. In the case of the Local Plan, this is reviewed by SMT regularly.

#### **Identification of Emerging Risks**

When reviewing and updating the Significant Business Risk Register earlier in the year SMT took the decision to include 'potentially emerging risks' in the covering report to Executive. Clearly, emerging risks, if they are significant, corporate and strategic, had always been included on the SBRR but potentially emerging risks had not been highlighted in any way, either on the SBRR or in the covering report. These are risks related to events that may or may not happen such as ideas or proposals. It was felt that, in future, in order to be prudent, such risks should be mentioned in the covering report in order that their possibility is brought to Members' attention. Future reports will describe the developments of these prospective events.

## **Performance Management Information: Risk Management Indicators**

Risk management information is used as a key indicator of organisational performance. The number of red, amber and green risks recorded on the service risk registers (in total) and on the Significant Business Risk Register is monitored by SMT quarterly. The information, together with other Governance data, is presented to SMT in the following way:



### ***Service-led Activities.***

#### **Leisure Development Programme**

One very good example can be found in Cultural Services and concerns the Leisure Development Programme. This comprises the combination of a series of corporate projects, each of which carry significant risks. In order to manage the risks in a coordinated way, a risk log was produced for the Programme, managed by the Programme Manager and overseen by the Programme Board of senior officers who

meet monthly. The risk log is updated each month prior to the Board meeting, when new risks are identified or following significant changes to the status of a predetermined risk.

### **Local Plan Risk Register**

A risk register for the Local Plan continues to be used by Development Services.

Preparing the Local Plan is a complex and lengthy process which involves balancing a large number of competing factors some of which are within the Council's control and some of which are not. It involves not only thinking about local, regional and national dimensions but also requires a fine balance to be struck between local political priorities and the findings of technical evidence.

This complexity means that there are always uncertainties which carry risks for the Plan's timetable and soundness. Risk management is playing an important part in the management of the Local Plan process as a way of ensuring both officers and members are aware of the risks and to enable different possible scenarios to be mapped and discussed in the context of a good understanding of potential consequences.

The key elements of the approach to risk management of the Local Plan are:

- a) A risk register that is updated at least monthly. This is reported to Senior Management Team and is often used as the basis for the regular portfolio holder briefings on the Local Plan
- b) In the context of the risk register, a weekly meeting is held between Development Services staff and Corporate Management Team to discuss plan progress and risks. At this meeting the main risks to the Plan are discussed and mitigation strategies mapped out. Examples might include political risks where mitigation involves thinking through how and when to brief members or risks arising from the plans of neighbouring authorities, where mitigation might involve complex discussions at officer, senior management or political level.
- c) Frequent briefings for Executive and Group Leaders: for the most part, the risk register is used overtly and proactively to shape these briefings and inform discussion, but even when the risk register is not used overtly, these discussions are framed around risk management to encourage members to think about possible consequences of different ways forward.
- d) Briefings for all members: whilst these are less frequent the discussion is usually framed to help members think about the risks and consequences associated with different courses of action so that informed decisions can be made at formal Council meetings.

Whilst there are always many uncertainties associated with the Local Plan, it is hoped that the risk management approach taken by the Council can ensure that issues can be avoided or resolved effectively and opportunities exploited quickly.

### **Monitoring of Section 106 Agreements**

Section 106 agreements are the legal mechanism by which the infrastructure or other planning-related requirements which are necessary to bring forward a development proposal in an acceptable way are currently delivered. For example,

highway improvements; open space and financial contributions towards educational and healthcare provision arising from proposals for new residential development are provided in this way.

In view of the scale of new development coming forward within the district and the need to ensure that the necessary infrastructure is delivered at the right time and in the right way, there is an increasing need to monitor the delivery of those requirements, as set out in a significant number of such legal agreements in an effective way in order to minimise the risk of difficulties arising from the absence of the provision of that infrastructure as developments progress.

To that end, a risk management initiative is currently being implemented within Development Services in partnership with other service areas and colleagues from Warwickshire County Council which monitors the progress of specific development projects as they are being constructed and tracks the key points within that development at which financial contributions are triggered or other specific requirements are needed.

Some of the benefits of this proactive approach are:

1. That for the first time, all of the relevant information about current and permitted development projects is available at a glance in one place.
2. That information is also publically available via the Council's website to enable members of the public; Councillors and all interested parties to be aware of the infrastructure that is being delivered, the associated benefits to their communities; and that its delivery is being actively monitored.
3. That the risk of developments coming forward without the required infrastructure being delivered at the right time has been significantly reduced.
4. Increased clarity as to the timescales within which financial contributions are required to be spent on the delivery of infrastructure in order to eliminate the likelihood of contributions being reclaimed by the developer after that period has expired.
5. The use of this information to enable service providers to plan for the delivery of infrastructure in an increasingly coordinated and proactive manner.

## **Emergency Planning and Business Continuity Management**

The following emergency planning and business continuity initiatives were undertaken during the year involving risk management.

- Updating and maintenance of service specific crisis plans for each of the Council's six service areas
- Creation of crisis procedures for HR, ICT and Democratic Services

## **Events Management**

During the year, the Warwick District Safety Advisory Group for Events, chaired by Sam Collins of Health & Community Protection, employing risk management facilitated a number of multi-agency meetings for a wide range of events to ensure the events were operated safely. Notable events include:

- Warwickshire Pride
- Leamington, Warwick and Kenilworth Christmas Lights Switch-ons
- Kenilworth Carnival
- Leamington Peace Festival
- Warwick Town Bonfire
- Bowls England National Championships
- Leamington Carnival
- Crazy Daisy's Music Event
- Warwick Food Festival
- Two Castles Run
- Warwick Thai Festival
- Kenilworth Half Marathon
- Warwick Mop
- Kenilworth Bonfire
- Support for events at Coventry Airport and the NAEC (Stoneleigh).

### **Legal challenge to licensing fees**

A FoI challenge was received on the fees but the Council was able to answer that challenge due to the early identification of the risk.

### Review of Progress in Completing Risk Management Strategic Action Plan


Recommendation	Action	Timescale	Responsibility / Resources	Progress To Date
<b>1. Undertake further work to define the risk appetite for the organisation and what that means in terms of decision making.</b>	Commission external expertise to help define organisational risk appetite. Issue paper to SMT recommending that course of action.	May 2016.	Audit & Risk Manager / SMT.	SMT endorsed proposed action and workshop has been organised for 9 September 2016.
<b>2. Consider opportunities for integrating risk management and performance management reporting.</b>	Will explore with CMT and Head of Neighbourhood services who leads on performance management reporting.	August 2016.	Audit & Risk Manager.	Other priorities have meant this has not yet been undertaken. Re-scheduled for completion by end of October 2016.
<b>3. Re-iterate the guidance on completion of the risk section within committee papers to drive quality of risk assessments.</b>	Guidance to be extended and re-issued.	By end of June 2016.	Audit & Risk Manager.	Other priorities have meant this has not yet been undertaken. Re-scheduled to be completed by end of September 2016.
<b>4. Consider splitting the existing strategy into separate documents covering policy (longer term aims) and framework (tools).</b>	Recommendation considered but not implemented: These elements are clearly identified in the Strategy and it is not apparent what benefit will be gained from creating separate documents.	Consider by end June 2016.	Audit & Risk Manager.	Recommendation considered but rejected on the basis that it would merely cause additional work with little, or no, apparent gain.

Recommendation	Action	Timescale	Responsibility / Resources	Progress To Date
<b>5. Improve communications about risk management principles e.g. through the intranet or desktop guides.</b>	Information and guidance on risk management principles and practices to be communicated to staff and members via new intranet.	Immediately and ongoing.	Audit & Risk Manager.	A significant start has been made on this but other priorities have curtailed progress.
<b>6. Review the role and effectiveness of the Risk Management Group.</b>	Self-review to be undertaken following recognised good practice.	By end of March 2017.	Audit & Risk Manager Risk Management Group.	On schedule to be completed by end of March 2017 as planned.
<b>7. Allocate individual SMT owners to risks on the significant business risks register.</b>	Senior Management Team to undertake.	By end June 2016.	Senior Management Team.	SMT decided not to do this as at the Council-wide level it was not feasible to isolate the risks in this way. If the risks were to be allocated individually then it was felt that they could only be allocated to the Chief Executive as he has overall responsibility for the corporate and strategic risks.
<b>8. Consider whether some of the principles applied to contract risk management can be applied equally to partnerships.</b>	Issue to be examined and, if possible, addressed.	By September 2017.	Audit & Risk Manager.	On track to be completed by end of September as planned.



Recommendation	Action	Timescale	Responsibility / Resources	Progress To Date
<b>9. Review the mechanisms by which the Insurance &amp; Risk Officer can input further to strategic risks and decision making.</b>	Insurance & Risk Officer to engage more closely in risk management process including issuing quarterly report to SMT on insurance claims and risk management lessons learned.	Immediately and ongoing.	Audit & Risk Manager.	Completed: Insurance & Risk Officer engages more closely in risk management process by issuing quarterly report to SMT on insurance claims and risk management lessons learned.
<b>10. Consider the specific application of risks on the significant business risk register to individual service areas.</b>	SMT to consider at future meeting that reviews SBRR.	By end June 2016.	Senior Management Team.	SMT to review at its next review of the SBRR (31 August).
<b>11. Increase the visibility of risk registers to enable common risk types to be identified across the organisation.</b>	Risk registers to be made available on intranet to all staff and, if possible, councillors.	September 2016.	Audit & Risk Manager.	Other priorities have meant this has not been yet been undertaken. Re-scheduled for completion by end of December 2016.
<b>12. Review the criteria for evaluating project risks to make it more specific to time, cost and quality of delivery.</b>	Approach to project risk assessment to be reviewed.	September 2017.	Audit & Risk Manager.	On track to be completed by end of September 2017 as planned.
<b>13. Include the target risk level in reporting to aid understanding of when additional management actions should and should not be considered.</b>	Issue to be explored as part of risk appetite work.	July 2016.	Audit & Risk Manager.	Issue to be explored as part of risk appetite seminar on 9 September.

Recommendation	Action	Timescale	Responsibility / Resources	Progress To Date
<b>14. In evaluating risks ensure that the full range of impacts is considered.</b>	Risk assessment criteria to be reviewed with the possibility of extending the range of potential impacts.	By end of July 2016.	Audit & Risk Manager.	Other priorities have meant this has not yet been undertaken. Re-scheduled for completion by end of September 2016.

 <b>FINANCE &amp; AUDIT SCRUTINY COMMITTEE</b> <b>31st August 2016</b>		<b>Agenda Item No. 7</b>
<b>Title</b>	Review of Housing & Property Services Contracts Register by Finance & audit Scrutiny Committee	
<b>For further information about this report please contact</b>	Andy Thompson Head of Housing & Property Services Tel: 01926 456403	
<b>Wards of the District directly affected</b>	N/A	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	N/A	
<b>Background Papers</b>	None	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No
<b>Equality Impact Assessment Undertaken</b>	No

Officer/Councillor Approval		
Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive		Bill Hunt
Head of Service	18.08.16	Andy Thompson
CMT		
Section 151 Officer		Mike Snow
Monitoring Officer		
Finance		Mike Snow
Portfolio Holder(s)	18.08.16	Cllr Peter Phillips
Consultation & Community Engagement		
N/A		
Final Decision?		N/A
N/A		

## 1. **Summary**

- 1.1 This report sets out the process for the review by Finance & Audit Scrutiny Committee of the Housing & Property Services Contracts Register, and highlights any issues which need to be addressed in the next 12 months.

## 2. **Recommendation**

- 2.1 That Finance & Audit Scrutiny Committee should review the Housing & Property Services Contracts Register attached at Appendix 1 and make observations on it as appropriate.

## 3. **Reasons for the Recommendation**

- 3.1 The review of Housing & Property Services Contract Register allows members of the Finance and Audit Scrutiny Committee the opportunity to consider the robustness of the register, make appropriate suggestions on how the register could be improved, and consider the document within the context of promoting sound procurement practice across the Council.

## 4. **Policy Framework**

- 4.1 **Policy Framework** – Under the Council's Code of Procurement Practice, details of all contracts for the supply of goods, services and supplies should be held on the Council's central Contracts Register. The Code also states the tender process to be used by officers when procuring goods and services.
- 4.2 **Fit for the Future** – By following the Council's Code of Procurement Practice in procuring goods, services and supplies, officers will be contributing to the Council's vision, and key policy priorities included within the Sustainable Community Strategy. The following specific benefits should arise:-
- The Council will be sure it is obtaining value for money from its expenditure, in the provision of all its services for local council tax payers.
  - Opportunities will be given to local employers to tender for Council contracts, thus contributing to the Prosperity Agenda.
  - It will be demonstrable that the Council, and officers, are operating fairly, in an open and transparent manner.

## 5. **Budgetary Framework**

- 5.1 There are no direct budgetary implications arising from this report. All of the Council's expenditure should be made in accordance with the requirements of the Council's Code of Procurement Practice. This should help the Council to ensure that it achieves value for money from its expenditure through the correct tendering of contracts, and the subsequent management of those contracts.

## 6. **Risks**

- 6.1 It is important that all procurement across the Council complies with the relevant procurement regulations and directives and also the Council's Code of Procurement Practice. By following this approach the Council will reduce the risk of challenge.

- 6.2 Contract Management is an important element of procurement. Contracts need to be properly managed to ensure compliance with the contract, whilst considering all relevant aspect that may affect the performance of the contract. Also, it is important that contract managers pro-actively plan ahead to ensure the procurement of future contracts is properly managed.

## **7. Alternative Option(s) considered**

- 7.1 This report is not concerned with recommending a particular option in preference to others so this section is not applicable.

## **8. Background**

- 8.1 The Terms of Reference for the Finance and Audit Scrutiny include "Promote value for money and good procurement practice". This is a role that the Committee has actively pursued. In carrying out this role the Committee appointed three of its members to act as Procurement Champions to assist and advise the Procurement Manager. Partly as a result of these actions, the status and knowledge of procurement has increased substantially across the organisation in recent years.
- 8.2 In March 2014 the Finance and Audit Scrutiny Committee requested that it review each departmental Contract Register in turn. These reviews were intended to follow the approach used to review the Risk Register, whereby the relevant Portfolio Holder and Head of Service are available to answer the Committee's questions.

## **9. Housing & Property Services Contract Register**

- 9.1 The latest version of the Housing & Property Services elements of the Corporate Contracts Register is set out as Appendix 1.
- 9.2 Future Procurement
- 9.2.1 The Council is currently reviewing its overall approach to the provision of housing services, under the auspices of the Housing Futures project. Housing Futures is a full review of the Council's Housing and Homelessness Strategies and the Housing Revenue Account Business Plan. The need for this major project, which may lead to changes in the way the Council provides its strategic and landlord housing services is driven by:
- The expiry of the Council's Housing and Homelessness Strategies in April 2017
  - The changing scope for housing market interventions that are arising from national policy changes since 2015, which change the way the Council can influence housing providers and provide housing itself
  - The changes being introduced by the Housing & Planning Act to the financing of municipal housing. This will require a revised Housing Revenue Account Business Plan to be in place by April 2017 to allow the Council's landlord service to remain viable
  - A 100% stock condition survey of its municipal housing, the first of its kind for the Council in recent times, which will allow for a more informed and planned approach to long term maintenance and investment.
  - Reductions in financial support for Housing Related Support services which may require substantial changes to the type of services the Council can provide or enable for older people.

- 9.2.2 The outcome of Housing Futures, which will complete its preparatory work by March 2017, will impact upon the scope and shape of housing and related services that the Council may need to procure or directly provide. However, it has been possible based upon the outcome of the early work for Housing Futures and the current status of the Contracts Register to identify two future major procurement priorities that are already being progressed. These support the Fit for the Future priority themes of Money, Service and People by virtue of supporting prudent use of resources, improving the services received - if necessary by changing the shape and scope of the services offered - and encouraging the people responsible for services to understand and deliver them using their front-line experience and professional expertise.
- 9.2.3 The two priority procurement areas for Housing and Property Services between now and March 2018 are:
- Re-provision of repairs and maintenance to municipal homes (Contract Register Reference HP66OJ0213). The current contracts have a break clause effective March 2018. This allows the Council to extend the current contracts with the existing providers, renegotiate terms with the existing providers or terminate the current arrangements in favour of new providers or new service delivery models. Work began in July 2016 to consider what are the Council's options for how it can best manage and maintain the municipal housing stock. This will take into account:
    - The findings of the 100% stock condition survey, which will complete on site work in October 2016 and allow for an informed and evidenced long term approach to the need for planned and capital investment and day-to-day repairs
    - The void work strand of Housing Futures which is reviewing the specification that should be offered for a void property that better aligns with tenant desires
    - The likely resources available over the course of the revised HRA Business Plan (2017 through 2062) to the Council for investment and management of its landlord role. This, however, along with firming up ambitions for the development and/or acquisition of additional homes for the Council, can only be done with any degree of accuracy once such elements as the Pay-to-Stay and Right-to-Buy levies have been clarified by the government, the date for which remains unconfirmed
    - Performance and satisfaction since 2013 with the existing contractors and delivery models
    - The review of delivery models will take place early in 2017-2018 allowing sufficient time to procure or establish the most effective delivery models for the standard of service and type of investment the Council wishes to make in its housing service.
  - Secure formalised consistency and clarity across the various contracts and agreements in place to deliver services to homeless and other households in need of accommodation (Contract Register References HP 87, 89, 90 and 91). This work is to be completed by March 2017 and aims to:
    - Reduce if possible the unit cost per household served by this service, in recognition of the need to maintain tight control on expenditure while still being able to meet the growth in demand for this service.
    - Simplify the management and administration of the services needed for this work
    - Make sure that the type and quantity of temporary accommodation is suitable for the needs of households in need of temporary accommodation and minimises the need to use 'bed and breakfast' type accommodation

- Make sure that the way temporary accommodation is provided is value for money and wherever practicable and reasonable generates income for the Council to offset against costs


Contract Reference Number	Procurement Procedure	Status	Contract Title	Description	Contract Type	Supplier	SME/ Enterprise/ Voluntary/ Community	Company Registration Number	Contact	Stakeholders	Start date	End date	Review Dates	Annual value	Contract value	Extension Option	Comments - including price change provisions and review dates.	Signed Contract Agreement is with DMC (Deed Store)
HP87XXXXXX	Direct Award	Live	Temporary Accommodation - Tachbrook Road	Temporary Accommodation	Services	Judith Chandler	Small: Voluntary	N/A	Abigail Hay	Public	26/02/2003	Rolling	01/08/2017	£15,000.00	£195,000.00		26.07.16: Long lease, held with Legal or within deed store. Used for Temporary Accommodation (TA). Ongoing historic agreement. Unable to identify any contractual documentation. Unclear how service was procured. WDC responsible for all repairs. Owner of the property has moved to a nursing home. H&PS is now dealing with the owner's Power of Attorney. Review of all TA scheduled (TA Review) started August 2016 to complete February 2017, which will formally consider options for providing this service element.	NO
HP88XXXXXX	Direct Award	Live	Now Medical	Independent body for appeal, used to assist with homeless medical assessments	Services	Now Medical	Small	04338252	Abigail Hay	Public	01/01/2005	Rolling	01/08/2017	£6,500.00	£71,500.00		26.07.16: Long lease, held with Legal or within deed store. Used for Temporary Accommodation (TA). Ongoing historic agreement. Unable to identify any contractual documentation. Unclear how service was procured. WDC responsible for all repairs. Owner of the property has moved to a nursing home. H&PS is now dealing with the owner's Power of Attorney. Review of all TA scheduled (TA Review) started August 2016 to complete February 2017, which will formally consider options for providing this service element.	NO
HP89XXXXXX	Direct Award	Live	B&B	Providing emergency accommodation for the homeless department	Services	Pandy Nijjar	Small	N/A	Abigail Hay	Public	01/01/2006	Rolling	01/08/2017	£36,638.80	£366,388.00		26.07.16: Used as and when required. Price is not fixed. WDC pay per use of the service, based on previous year's spend. Unclear how this was procured. No contractual documentation has been identified. TA Review (August 2016 through February 2017) will consider options for providing this service element 2017 onwards.	NO
HP90XXXXXX	Direct Award	Live	E-Bed	Emergency homeless accommodation	Services	Salvation Army	Enterprise: Voluntary	N/A	Abigail Hay	Public	01/01/2010	01/09/2017	01/09/2016	£3,379.12	£23,653.00		26.07.16: This service is closing down in 2016-2017 as a result of the Housing Related Support changes and therefore we will no longer be accessing this service.	NO
HP91XXXXXX	Direct Award	Live	Willes Road	Young parents accommodation	Services	Chapter 1	Small: Voluntary	293232	Abigail Hay	Public	01/04/2010	30/03/2017	01/09/2016	£10,000.00	£70,000.00		26.07.16: This service is closing down in 2016-2017 as a result of the Housing Related Support changes is closing down. The Council will no longer be offering a grant to Chapter 1 or using this service.	NO
HP109MC0716	Framework: Mini Competition	Live	Electricity	The energy supply to WDC buildings and other installations requiring electrical power	Goods	Southern Electric (trading name of Scottish & Southern Energy) (ESPO 191/b)	Enterprise	03757502	Mark Perkins	Housing & Property	01/10/2016	30/09/2018	01/04/2018	£750,000.00	£4,500,000.00		27.07.2016: Contracts executed through Procurement For Housing Framework with SSE for energy supply for 24 months from October 2016.	YES
HP92XXXXXX	Direct Award	Live	Enlight Housing Advice Manual	Electronic procedure manual: resource tool for case law etc....	Services	Trown Housing Consultancy Ltd	Small	9116635	Abigail Hay	Housing & Property	01/11/2015	Rolling	01/02/0217	£2,317.00	£4,635.00		WDC lease copiers from a finance lease company. Lease contract is due to end 13/09/2016 . Maintenance Contract on 3 month rolling basis until September 2017 at the latest. Current copier fleet has been purchased. Copier replacement plan to be started September 2016 with an aim to go out to tender in January 2017 and implement the new fleet April 2017. Colour print press purchased, however currently looking in to tendering for a new machine in Sept 2016.	NO
HP93XXXXXX	Direct Award	Live	Crash Pad	RSA Authentication Manager Maintenance Renewal	Services	Chapter 1	Small: Voluntary	293232	Abigail Hay	Public	01/05/2011	30/04/2013	01/08/2017	£11,266.00	£22,532.00		26.07.16: Refer young people to this accommodation service. SLA agreement. Payments made per placement. Unclear how original procurement took place. TA Review (August 2016 through February 2017) will consider options for providing this service element 2017 onwards.	NO
HP55CF0112	Framework: Mini Competition	Live	Kerosene supply to WDC Corporate building	Liquefied fuel supply to Jubilee House, Kenilworth	Goods	Pace Fuel Care ( ESPO 301) (Certas Energy)	Medium	04168225	Mark Perkins	Housing Properting	01/01/2012	10/10/2016	01/07/2016	Utilities	Utilities	The contract renewed for a further 1 years from 11 October 2015 to 10th Ococtober 2016, no further renewals beyond the extension end date	27.07.2016: Procurement strategy agreed. Specification development in final stages. Tender documents published on 15.08.2016.	YES
HP69DA0412	Direct Award	Live	ActiveH	IT system for management of housing stock information	Services	Mis Active Management Systems	Medium		Abigail Hay	Housing Property	01/04/2012	31/03/2017	01/09/2016	spend 2012-13 £41,914.63. spend 2013-14 £58,313.77 spend 2014-15 £61,700 spend 2015-16 £49000	TBC		26.07.16: MIS requested a five year renewal in 2012. WDC signed a two year extension. Software agreement signed on 23.03.2012 for an initial period of two years. Clause 8.1 states that the licence shall be automatically renewed for periods of three years after expiry unless agreement is terminated. Therefore as we have passed the initial period of two years, the licence now runs until March 2017. We are currently exploring our options to ocntinue with the current provider of this service as it is not feasible to procure maintenance from a provider other than the original software supplier. H&PS do not recommend a change of software at this time, when work is underway to define and shape the future of the Council's housing and property services to take account of the forthcoming Asset Management Strategy, revised HRA Business Plan and new Housing Strategy, and what will be needed to manage future services.	YES
HP48LV0112	Open: Published Invitation to Tender	Live	Maintenance and servicing of fire fighting equipment	The regular maintenance of fire extinguishers and other fire fighting/prevention equipment in corporate properties	Services	DRFS	Enterprise		Mark Perkins	All Service Areas	08/07/2016	31/03/2017	01/10/2016	£11 500.00	£57,500.00		12.07.2016: Contractor relinquished contract. Temporary arrangement secured through three quotation process. Long term contract will be procured to start April 2017.	YES
HP58LV0112 a	Open: Published Invitation to Tender	Live	Service & Maintenance (telecare associated) of PNC 6 telecare control desk	This is for the service and maintenance of the telecare control desk at Acorn Court	Services	Tunstall ( Call off Northern Housing Consortium )	Enterprise	1332249	Jacky Oughton	All Service Areas	01/10/2015	30/09/2020	01/09/2019	£19,791.81	£98,960.00		Contract now in place until 2020	YES



Contract Reference Number	Procurement Procedure	Status	Contract Title	Description	Contract Type	Supplier	SME/ Enterprise/ Voluntary/ Community	Company Registration Number	Contact	Stakeholders	Start date	End date	Review Dates	Annual value	Contract value	Extension Option	Comments - including price change provisions and review dates.	Signed Contract Agreement is with DMC (Deed Store)
CO14CF1212		Live	Mobile phones and devices	Mobile phones and devices	Goods	O2	Enterprise		Abigail Hay	All Service Areas	01/12/2012	Rolling	01/09/2016	Utilities	Utilities		26.07.16: Covers all cell phones and devices used by WDC as a whole (with limited exceptions for officers who live in areas where O2 reception is weak). Procured in 2012 we used an on-line Government framework and a mini competition from which O2. We are operating on the basis of the GPS framework, using tariffs negotiated on behalf of the GPS framework. All connections have a minimum two year connection period. Note that there may be a financial liabilities arising from early termination of individual phones, cost of buying new equipment for a new network and locking old equipment if provider changes. Current arrangements roll on annually on a monthly payment basis, as each device has its own two year contract. Currently reviewing the most appropriate option for how to provide these services for the Council in the future to take into account changes in the way we work which will require higher levels of mobile device compatability.	NO
HP66OJ0213	Open: Published Invitation to Tender	Live	LOT 1 R&M	Kitchen & Bathroom replacements and repairs	Services	Lovell's	Enterprise	2387333	Matt Hammond	Public & Corporate	01/04/2013	31/03/2018	01/03/2017	£966,061.80	£4,830,309.00	Option to extend for a further 2 5 year terms	27.07.16: Initial contract period ends on 31.03.2018, with an option to renew with current provider. The future shape and nature of these service procured under this contract will be informed by the outcome of Housing Futures, which will reflect the review of the Housing Revenue Account Business Plan and the outcome of the Stock Condition Survey, now on site and scheduled to complete September 30th, 2016. Performance and tenant satisfaction to date will also be taken into account in deciding the best way forward. SCS complete 07.10.16; smoothing and modelling of date 30.11.16; needs assessed, analysed and long term Housing Investment Programme 31.01.17; contract and service design - including cost model - to reflect evidenced needs; contract preparation to start April 2017)	YES
HP66OJ0213	Open: Published Invitation to Tender	Live	LOT 3 R&M	Window & Door. Housing Planned maintenance for window and door replacement	Services	Lovell's	Enterprise	2387333	Matt Hammond	Public & Corporate	01/04/2013	31/03/2018	01/03/2017	£486,927.99	£2,434,639.95	Option to extend for a further 2 5 year terms	27.07.16: Initial contract period ends on 31.03.2018, with an option to renew with current provider. The future shape and nature of these service procured under this contract will be informed by the outcome of Housing Futures, which will reflect the review of the Housing Revenue Account Business Plan and the outcome of the Stock Condition Survey, now on site and scheduled to complete September 30th, 2016. Performance and tenant satisfaction to date will also be taken into account in deciding the best way forward. SCS complete 07.10.16; smoothing and modelling of date 30.11.16; needs assessed, analysed and long term Housing Investment Programme 31.01.17; contract and service design - including cost model - to reflect evidenced needs; contract preparation to start April 2017)	YES
HP66OJ0213		Live	LOT 4 R&M	Roofing replacement & repair	Services	Wates Construction (was G Purchase)			Matt Hammond		01/04/2013	31/03/2018	01/03/2017	£309,297.48	£1,546,487.40	Option to extend for a further 2 5 year terms	27.07.16: Initial contract period ends on 31.03.2018, with an option to renew with current provider. The future shape and nature of these service procured under this contract will be informed by the outcome of Housing Futures, which will reflect the review of the Housing Revenue Account Business Plan and the outcome of the Stock Condition Survey, now on site and scheduled to complete September 30th, 2016. Performance and tenant satisfaction to date will also be taken into account in deciding the best way forward.	YES
HP66OJ0213	Open: Published Invitation to Tender	Live	LOT 5 R&M	General housing repairs & voids	Services	Ian Williams	Enterprise	879464	Sean McCabrey	Public & Corporate	01/04/2013	31/03/2018	04/03/2017	£953,450.00	£4,767,250.00	Option to extend for a further 2 5 year terms	27.07.16: Initial contract period ends on 31.03.2018, with an option to renew with current provider. The future shape and nature of these service procured under this contract will be informed by the outcome of Housing Futures, which will reflect the review of the Housing Revenue Account Business Plan and the outcome of the Stock Condition Survey, now on site and scheduled to complete September 30th, 2016. Performance and tenant satisfaction to date will also be taken into account in deciding the best way forward. SCS complete 30.09.16 (85% - 15% 'mop up' to follow e.g. lack of access properties); smoothing and modelling of date 30.01.16; needs assessed,	YES
HP66OJ0213	Open: Published Invitation to Tender	Live	LOT 6 R&M	General Corporate repairs	Services	Pinner & Sons limited	Small	7906174	Surveying Team	Public & Corporate	01/04/2013	31/03/2018	01/03/2017	£244,190.00	£1,220,950.00	Option to extend for a further 2 5 year terms	27.07.16: Initial contract period ends on 31.03.2018, with an option to renew with current provider.	YES
HP66OJ0213	Open: Published Invitation to Tender	Live	LOT 7 R&M	Gas Servicing (housing)	Services	D&K Heating	Medium	5016014	Mark Perkins	Public & Corporate	01/04/2013	31/03/2018	01/03/2017	£1,000,256.31	£5,001,281.55	Option to extend for a further 2 5 year terms	27.07.16: Initial contract period ends on 31.03.2018, with an option to renew with current provider. The future shape and nature of these service procured under this contract will be informed by the outcome of Housing Futures, which will reflect the review of the Housing Revenue Account Business Plan and the outcome of the Stock Condition Survey, now on site and scheduled to complete September 30th, 2016. Performance and tenant satisfaction to date will also be taken into account in deciding the best way forward. SCS complete 07.10.16; smoothing and modelling of date 30.11.16; needs assessed, analysed and long term Housing Investment Programme 31.01.17; contract and service design - including cost model - to reflect evidenced needs; contract preparation to start April 2017)	YES
HP66OJ0213	Open: Published Invitation to Tender	Live	LOT 8 R&M	Internal & External decorating	Services	Ian Williams	Enterprise	879464	Andrew Dyke & Lisette Piper	Public & Corporate	01/04/2013	31/03/2018	01/03/2017	£1,082,266.58	£5,411,332.90	Option to extend for a further 2 5 year terms	27.07.16: Initial contract period ends on 31.03.2018, with an option to renew with current provider. The future shape and nature of these service procured under this contract will be informed by the outcome of Housing Futures, which will reflect the review of the Housing Revenue Account Business Plan and the outcome of the Stock Condition Survey, now on site and scheduled to complete September 30th, 2016. Performance and tenant satisfaction to date will also be taken into account in deciding the best way forward. SCS complete 07.10.16; smoothing and modelling of date 30.11.16; needs assessed, analysed and long term Housing Investment Programme 31.01.17; contract and service design - including cost model - to reflect evidenced needs; contract preparation to start April 2017)	YES
HP67OJ0213	Open: Published Invitation to Tender	Live	LOT 2 M&E	Lift Repair & maintenance	Services	Express Lifts (which took over original provider Foster & Cross)	Small	4026318	Andrew Dyke	Public & Corporate	01/04/2013	31/03/2018	01/03/2017	£231,781.29	£1,158,906.45	Option to extend for a further 2 5 year terms	Initial contract period ends on 31.03.2018	YES
HP67OJ0213	Open: Published Invitation to Tender	Live	LOT 3 M&E	Fire alarm service & maintenance	Services	Fire & Safety Services	Medium	4977056	Mark Perkins	Corporate Properties	01/04/2013	31/03/2018	01/03/2017	£20,151.24	£100,756.20	Option to extend for a further 2 5 year terms	Initial contract period ends on 31.03.2018	YES

Contract Reference Number	Procurement Procedure	Status	Contract Title	Description	Contract Type	Supplier	SME/ Enterprise/ Voluntary/ Com munity	Company Registration Number	Contact	Stakeholder s	Start date	End date	Review Dates	Annual value	Contract value	Extension Option	Comments - including price change provisions and review dates.	Signed Contract Agreement is with DMC (Deed Store)
HP670J0213	Open: Published Invitation to Tender	Live	LOT 4 M&E	Intruder Alarm service & maintenance	Services	Close Circuit Security Services	Enterprise	3543850	Mark Perkins	Corporate Properties	01/04/2013	31/03/2018	01/03/2017	£15,000.00	£75,000.00	Option to extend for a further 2 5 year terms	Initial contract period ends on 31.03.2018	YES
HP670J0213	Open: Published Invitation to Tender	Live	LOT 5 M&E	Air conditioning Service & maintenance	Services	D&K Heating	Medium	5016014	Mark Perkins	Corporate Properties	01/04/2013	31/03/2018	01/03/2017	£4,996.00	£24,980.00	Option to extend for a further 2 5 year terms	Initial contract period ends on 31.03.2018	YES
HP670J0213	Open: Published Invitation to Tender	Live	LOT 6 M&E	Water Management inc Legionella testing	Services	HSL Compliance Ltd	Medium	02425951	Mark Perkins	Public & Corporate	01/04/2013	31/03/2018	01/03/2017	£34,635.00	£173,175.00	Option to extend for a further 2 5 year terms	Company previously known as Hertel Soltuions Limited - name changed during the contract to HSL Limited. No changes to contractual relationship arising from name change. Initial contract period ends on 31.03.2018	YES
HP670J0213	Open: Published Invitation to Tender	Live	LOT 7 M&E	Lightning Protection	Services	Horizon Specilist Contracting Ltd	Medium	2827337	Mark Perkins	Public & Corporate	01/04/2013	31/03/2018	01/03/2017	£5,000.00	£25,000.00	Option to extend for a further 2 5 year terms	Initial contract period ends on 31.03.2018	YES
NS140J1012	Open: Published Invitation to Tender	Live	WDC Waste contracts	4. Building Cleaning	Services	Kingdom Cleaning	Enterprise	1105443	James Baker	All Service Areas	01/04/2013	31/03/2021	01/01/2020	£382,288.88	£3,058,311.04			YES
HP740J0513	Open: Published Invitation to Tender	Live	Corporate & Communal Gas	Gas repairs to WDC properties & corporate buildings	Services	Renuvo Ltd	Small	7289284	Mark Perkins	<a href="#">All Service Areas</a>	07/05/2013	31/03/2018	01/02/2017	£49,977.50	£250,000.00	Option to extend for a further 5 years	New Contract Awarded following procurement via PFH Framework, Date of Posession 01.04.2016.	YES
HP76LV0813	Open: Published Invitation to Tender	Live	Rural Footway Lighting Replacement and Maintenance	Replacement of Rural Footway Lighting Columns and Lanterns including Maintenance and Reactive Repairs	Services	Hi Lite Electrical Ltd	Small	4813923	Mark Perkins	Housing & Property Services Tenants	01/10/2013	30/09/2017	01/01/2017	£12,000.00	£48,000.00	Option for a further 2 years	27.07.2016: Contract on forward procurement plan and scheduled to be re-procured for 01.10.2017.	YES
HP770J1213	Open: Published Invitation to Tender	Live	Decorating Voucher Scheme	A Scheme to assist Council tenants to exchange decoration vouchers for decorating materials only. To be used within WDC properties.	Services	PPG Architectural Coatings UK Ltd			Sean McCabrey	Housing & Property Services Tenants	01/12/2013	30/11/2018	01/11/2017	£60,000.00	£300,000.00	5 + 5 subject to performance and council requirements	20.10.14: Procured in accordance with WDC policy and practice and signed contracts in place.	YES
HP96XXXXXX	Direct Award	Live	Right To Buy valuations	Right To Buy valuations-as & when basis	Services	Godfrey Payton	Small	Partnership and therefore no registration number	Abigail Hay	Public	Legacy Contract	Rolling	01/09/2016	2012-13 spend £8500, 2013-14 spend £6500			26.07.16: New provider being sought via the Three Quote tender methodology. Quotes to be returned by 12th August, contractor appointed by 31st August 2016, new contract in place by 1st October 2016.	NO
HP97XXXXXX	Direct Award	Live	Right to buy structural surveys	Right to buy structural surveys-as & when basis	Services	Hancock Wheeldon + Ascough	Medium	301024	Abigail Hay	Public	Legacy Contract	Rolling	annually	2012-13 spend £2880, 2013-14 spend £2240			26.07.16: New provider being sought via the Three Quote tender methodology. Quotes to be returned by 12th August, contractor appointed by 31st August 2016, new contract in place by 1st October 2016.	NO
HP98XXXXXX	Direct Award	Live	Joint Venture: Deliver new affordable housing	Joint Venture : Deliver new affordable housing	Services	Waterloo	Enterprise	08378504	Ken Bruno	Public	01/11/2011	Rolling	31/10/2017					YES

Contract Reference Number	Procurement Procedure	Status	Contract Title	Description	Contract Type	Supplier	SME/ Enterprise/ Voluntary/Community	Company Registration Number	Contact	Stakeholders	Start date	End date	Review Dates	Annual value	Contract value	Extension Option	Comments - including price change provisions and review dates.	Signed Contract Agreement is with DMC (Deed Store)
HP86TQ0315	Invitation to Quote (2+ Suppliers)	Live	Asbestos Management System	Software to enable the management of Asbestos data, upgrades and maintenance	Services	ACMS (Asbestos Consultancy & Management Services Limited)	N/A	4709357	Sean McCabrey	N/A	01/04/2015	ongoing		£1,000.00	£12,090.00	Contract value includes initial start up costs of £8,099	The contract comes with a 4 year support	YES
HP99LV0415	Open: Published Invitation to Tender	Live	Tenants, Leaseholder and Shared Owner Contents Insurance	Tenants, Leaseholder and Shared Owner Contents Insurance	Services	Thistle Insurance Services Ltd	n/a	338645	Abigail Hay	Housing & Properties	01/05/2015	31/05/2018	31/05/2017	£40,000.00	£120,000.00	Option to extend for a further one year period depending on funding and performance		YES
HP100LV0515	Open: Published Invitation to Tender	Live	Consultancy services agreement	Provision of Rural Housing Enabler Services	Services	Warwickshire Rural Community Council	N/A	1081017	Ken Bruno	n/a	15/06/2015	03/05/2020	01/10/2019	£9,809.00	£49,045.00	After 1 year option to extend for a further 2, 2 year periods	The contract is set as follows: £9809(2015/16), £9485(2016/17),£9664(2017/18);£9848(2018/19). 26.07.16: The contract has been reviewed after the first year and extended for a further 2 years.	YES
HP101MC0715	Framework: Mini Competition	Live	The Maintenance of Cremators and Associated Plant	The Maintenance of Cremators and Associated Plant at Oakley Wood Crematorium	Services	ATI Environmental UK Ltd	Enterprise	07457153	Mark Perkins	Neighbourhood Services	01/07/2015	30/06/2018	31/06/2017	Yr 1 £140886.40, Yr 2 £76484.40, Yr 3 £76484.40	£293,853.20	Option to extend for a further two years	Contract value is fixed for the first three years. Year includes enabling costs of £64,400.00.	YES
HP102OJ0715	Restricted: Published Invitation to Tender	Live	Asbestos	Asbestos Survey and Testing services	Services	Tersus Consultancy Limited	N/A	01912115	John Lander	WDC	03/09/2015	02/09/2020	02/09/2019	£200,000.00	£1,000,000.00	Option to extend for a further 2 terms (5+5+3)	Approximate contract values, maximum spend. Dependent upon planned and reactive works requested within the year. Contract based upon a schedule of rates and value with vary year on year.	YES
HP103OJ0715	Restricted: Published Invitation to Tender	Live	Asbestos	Asbestos Removal Services	Services	Shield Environmental Services Limited	N/A	01889657	John Lander	WDC	03/09/2015	02/09/2020	02/09/2019	£400,000.00	£2,000,000.00	Option to extend for a further 2 terms (5+5+3)	Approximate contract values, maximum spend. Dependent upon planned and reactive works requested within the year. Contract based upon a schedule of rates and value with vary year on year.	YES
HP104OJ0116	Open: Published Invitation to Tender	Future	The Maintenance & Repair of Electrical Appliances & Installation	Contract to carryout Electrical Maintenance & Repairs to Appliances and Installations	Works	Dodds	Enterprise	1179878	Sean McCabrey	N/A	01/05/2016	30/04/2018	01/04/2017	£1,122,934.20	£2,245,868.40	2 Years with 5+5 Extns	27.07.2016: Contract in place with Dodd Group Limited, expires 30.04.2018	YES
HP105OJ0116	Open: Published Invitation to Tender	Future	Door Entry Systems Contract Maintenance and Upgrade	Provision of Maintenance and Upgrade of Housing Door Entry Systems,Security Doors, CCTV and Common Area Fire detection Systems	Works	Baydale	Enterprise	3885564	Dr Russell Marsden	Housing Properties	01/04/2016	31/03/2018	31/03/2017	£181,095.27	£362,190.54	2 Years with Option to extend by further 3 years	27.07.2016: Contract in place with Baydale, expires 31.03.2018.	YES
HP100CF1015	Framework: Mini Competition	Live	Warden Call, Access, FFE and FDE Equipment	Warden Call, Access, FFE and FDE Equipment	Services	SCCI Alphatrack	n/a	02760731	James Baker	Housing Properties	01/10/2015	30/09/2017	31/12/2016	£23,523.00	£164,664.00	1+1+1+1+1 Years	Contract process via Fusion 21 framework	YES
HP101OJ1215	Open: Published Invitation to Tender	Live	Housing Adaptapions	The Provision of Minor Works Contractor for Housing Aids & Adaptations Contract	Services	FSG	Medium	04521341	Mark Lingard	WDC	01/04/2016	31/03/2018	01/09/2017	Call-off contract - no value attributed		2 Years +1+1	Contract was OJEU advertised	YES
HP102OJ1215	Framework: Mini Competition	Live	Gas Supply Contract	A contract for the Supply of Gas energy to Warwick District Corporate sites	Goods	Gazprom Energy	Enterprise	3904624	Mark Perkins	WDC	01/04/2016	31/03/2018	01/06/2017	£196,246.28 in (2016) then £196,212.22 in (2017) fixed on yearly basis	£392,450.50	1+1 fixed for (2016) & (2017) respectively	This Contract superseedes HP33CF0412.	YES
HP83LV0514	Open: Published Invitation to Tender	Live	Provision of Cost Manager Consultant	Call off Contract for Provision of Cost Manager Consultant	Services	Impart Links Limited		4120163	Matt Jones	WDC	02/01/2014	16/10/2016	Not to be Renewed	Year to date expenditure is £105 242,25		1 Year extension granted till 16th October 2016	There is no further extensions associated with this Contract beyond 16th October 2016	YES
HP106LV0316	Open: Published Invitation to Tender	Live	Minor Works Engineering Contract	Minor works & engineering to Warwick District Council owned properties sites and open spaces	Works	Allworks construction limited	Medium	60144004	Russell Marsden	All Service Areas	01/04/2016	31/03/2018	01/10/2017	£261,877.71	£523,755.42	3 Years		YES
HP107LV0416	Open: Published Invitation to Tender	Live	Supply and Delivery of Bulk Liquefied Petroleum Gas	Contract for the Provision of Supply & Delivery of Bulk Liquefied Gas LPG	Goods	Calor Gas Limited	Enterprise	303703	Mark Perkins	Crematorium	01/05/2016	30/06/2018	01/09/2017	£31,525.64	£63,051.28	2 Years		YES
HP108MC0516	Framework: Mini Competition	Live	Housing Stock Condition Surveys	Provision of stock condition surveys to 5949 council properties	Services	Michael Dyson Associates	Enterprise	2903668	Simon Hodges	Housing	30/05/2016	02/09/2016	N/A	N/A	£186,905.00	N/A	27.07.2016: Contract in place with Michael Dyson Associates. Site surveys commenced on 05.07.2016 and are due to be completed on 07.10.2016.	YES
HP111MC0816	Framework: Mini Competition	Live	Lease hire Contract for 3 Petrol Caddy Vans	Contract for Lease hire of 3 VW Caddy Vans for use By sustaining tenancies team	Services	Lex Autolease	Enterprise	1090741	James Baker	Housing & Property	01/10/2016	30/09/2022	01/01/2022	£8,187.69	£40,940.00	5 Years		YES
HP110CF0816	Framework: Direct Award	Live	Design and Build of Sayer Court Housing Scheme	Contract for the design and construction of 81 HRA dwellings	Works	Willmot Dixon	Enterprise		Matt Jones/George Rankin	Housing & Property Services		30/11/2016	N/A	N/A	£11,152,562.00	n/a	One off construction scheme procured under the Scape National Framework	Yes

 <b>Finance &amp; Audit Scrutiny Committee</b> <b>31 August 2016</b>		<b>Agenda Item No.</b> <b>8</b>
<b>Title</b>	<b>Comments from the Executive</b>	
<b>For further information about this report please contact</b>	Amy Carnall Committee Services Officer 01926 456114 <a href="mailto:committee@warwickdc.gov.uk">committee@warwickdc.gov.uk</a>	
<b>Service Area</b>	Civic & Committee Services	
<b>Wards of the District directly affected</b>	n/a	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	n/a	
<b>Background Papers</b>		

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	No

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i>must</i> be approved by the report authors relevant director, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Deputy Chief Executive		
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		
Portfolio Holders		

<b>Consultation Undertaken</b>	
n/a	
<b>Final Decision?</b>	Yes
<b>Suggested next steps (if not final decision please set out below)</b>	

## **1. Summary**

- 1.1 This report summarises the Executive's response to comments given by the Finance & Audit Scrutiny Committee on reports submitted to the Executive on 26 July 2016.

## **2. Recommendation**

- 2.1 That the responses made by the Executive be noted, as set out in Appendix 1 to the report.

## **3. Reasons for the Recommendation**

- 3.1 This report is produced to create a dialogue between the Executive and the Finance & Audit Scrutiny Committee, ensuring that the Scrutiny Committee is formally made aware of the Executive's responses.

## **4. Alternative Options Considered**

- 4.1 The Committee receives and notes the minutes of the Executive instead.

## **5. Budgetary Framework**

- 5.1 There is no impact on the budgetary framework. This is for the Committee's information only.

## **6. Policy Framework**

- 6.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

## **7. Background**

- 7.1 As part of the scrutiny process, the Committee no longer considers the whole of the Executive agenda.
- 7.2 Councillors are emailed at the time of the publication of the Executive and Scrutiny Committee agendas, asking them to contact Committee Services by 9.00 am on the day of the Scrutiny Committee, to advise which Executive items they wish the Scrutiny Committee to pass comment on and the reasons why.
- 7.3 As a result, at its meeting on 9 February 2016, the Finance & Audit Scrutiny Committee considered the items detailed in the appendices. The responses which the Executive gave are also shown.

**Responses from the meeting of the Executive held on 27 July 2016 to the Finance and Audit Scrutiny Committee's comments**

<b>Item no</b>	<b>4</b>	<b>Title</b>	<b>Leisure Development Programme Update</b>
<b>Scrutiny Comment</b>	<p>The Finance &amp; Audit Scrutiny Committee supported the recommendations but was concerned about the substantial increase in costs. In addition, Members highlighted to the Executive that they would be expecting Mace to make a firm commitment to deliver savings through the Value Engineering Exercises.</p> <p>However, Members were encouraged by the inclusion of the penultimate sentence of paragraph 3.1.3, relating to the standard of the end product and the experience that customers should encounter at the facilities.</p>		
<b>Executive Response</b>	<p>Councillor Coker took the opportunity to thank the Head of Service and her team for their work on this project, and highlighted that the purpose of using the RIBA project process was to ensure that costs were identified at the appropriate stage.</p>		


<b>Item no</b>	<b>5</b>	<b>Title</b>	<b>Budget Review to 30 June 2016</b>
<b>Scrutiny Comment</b>	<p>The Finance &amp; Audit Scrutiny Committee supported the recommendations and welcomed the inclusion of the detail at paragraph 6.5, relating to the mitigation measures being undertaken to effectively manage the Council's budgets.</p>		
<b>Executive Response</b>	<p>Councillor Whiting took the opportunity to thank the Head of Service and his team for delivering the report and their continued work to balance the budget, and reminded all of the continuing work necessary to ensure that capital repairs could be funded.</p>		

<b>Item no</b>	<b>6</b>	<b>Title</b>	<b>Council Tax Reduction Scheme</b>
<b>Scrutiny Comment</b>	<p>The Finance &amp; Audit Scrutiny Committee supported the recommendations but was concerned about the effectiveness of the consultation scheme, whilst noting that this was a mandatory requirement.</p>		
<b>Executive Response</b>	<p>The Executive agreed with the concerns of the Scrutiny Committee but accepted that at this time the consultation scheme was a requirement that had to be followed.</p>		

<b>Item no</b>	7	<b>Title</b>	<b>Review of Support to Town and Parish Council</b>
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee noted the report and was pleased that the consultation timeframe had been set taking into account the holiday period, with responses being requested by the end of September. Members look forward to the responses coming in.		
<b>Executive Response</b>	The Executive did not respond to this point but did explain that a risk assessment would be undertaken with respect to the cost involved should the relevant Council hand the service back to the District Council. This would be based on the outcome of the response to the consultation.		

<b>Item no</b>	9	<b>Title</b>	<b>Procurement Exemption for WDC Copier Maintenance 2016/17</b>
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee supported the recommendation but was very concerned that the procurement process had yet again not been followed. Members requested further information as to whether other contractors had been approached about supplying the maintenance contract and if not, why not. In addition, Members were not content with the risks posed of a 3 month rolling contract & queried why the contract end date had not been flagged up on the contract register - as a result this demonstrated that the processes were not being adhered to.		
<b>Executive Response</b>	The Leader of the Executive explained that, in his opinion, the title of the report had sent hares running. He fully appreciated the work of the officer in ensuring proper procedure was in place. He highlighted paragraphs 3.3, 3.4 and 3.5 of the report. That said, he had empathy with the concerns of the Scrutiny Committee but reminded all Councillors that scrutiny needed to scrutinise appropriately and therefore he would be discussing this point with fellow Group Leaders.		

<b>Item no</b>	10	<b>Title</b>	<b>Significant Business Risk Register</b>
<b>Scrutiny Comment</b>	The Finance & Audit Scrutiny Committee supported the recommendations in the report.		
<b>Executive Response</b>	There was no comment made by the Executive.		

 <b>Finance &amp; Audit Scrutiny Committee – 31 August 2016</b>		<b>Agenda Item No.</b>  <b>9</b>
<b>Title</b>	<b>Review of the Work Programme &amp; Forward Plan</b>	
<b>For further information about this report please contact</b>	Amy Carnall Committee Services Officer 01926 456114 <a href="mailto:committee@warwickdc.gov.uk">committee@warwickdc.gov.uk</a>	
<b>Wards of the District directly affected</b>	n/a	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006?</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	n/a	
<b>Background Papers</b>	n/a	

<b>Contrary to the policy framework:</b>	No
<b>Contrary to the budgetary framework:</b>	No
<b>Key Decision?</b>	No
<b>Included within the Forward Plan? (If yes include reference number)</b>	n/a
<b>Equality &amp; Sustainability Impact Assessment Undertaken</b>	n/a

<b>Officer/Councillor Approval</b>		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Deputy Chief Executive		
Head of Service		
CMT		
Section 151 Officer		
Monitoring Officer		
Finance		
Portfolio Holder(s)		
<b>Consultation &amp; Community Engagement</b>		
n/a		
<b>Final Decision?</b>		Yes
<b>Suggested next steps (if not final decision please set out below)</b>		



## **1. Summary**

- 1.1 This report informs the Committee of its work programme for 2016/17 (Appendix 1) and the current Forward Plan (Appendix 2).

## **2. Recommendation**

- 2.1 Members consider the work programme and agree any changes as appropriate.
- 2.2 The Committee to; identify any Executive items on the Forward Plan which it wishes to have an input before the Executive makes its decision; and to nominate a Member to investigate that future decision and report back to the Committee.

## **3. Reasons for the Recommendation**

- 3.1 The work programme should be updated at each meeting to accurately reflect the workload of the Committee.
- 3.2 If the Committee has an interest in a future decision to be made by the Executive it is within the Committee's remit to feed into the process.
- 3.3 The Forward Plan is the Executive's future work programme. If any non-Executive Member or Members highlight items which are to be taken by the Executive which they would like to be involved in, those Members can then provide useful background to the Committee when the report is submitted to the Executive and when the Committee passes comment on it.

## **4. Policy Framework**

- 4.1 The work carried out by the Committee helps the Council to improve in line with its priority to manage services openly, efficiently and effectively.

## **5. Budgetary Framework**

- 5.1 All work for the Committee has to be carried out within existing resources. Therefore, there is a limit to the time available that officers will have to assist Members, so the Committee may wish to prioritise areas of investigation.

## **6. Risks**

- 6.1 This Committee contributes to the effective minimisation of risk by fulfilling its duties in a timely manner and scrutinising the work undertaken by the Executive.

## **7. Alternative Option(s) Considered**

- 7.1 The only alternative option is not to undertake this aspect of the overview and scrutiny function.

## **8. Background**

- 8.1 The five main roles of overview and scrutiny in local government are: holding to account; performance management; policy review; policy development; and external scrutiny.

- 8.2 The pre-decision scrutiny of Executive decisions falls within the role of 'holding to account'. To feed into the pre-decision scrutiny of Executive decisions, the Committee needs to examine the Council's Forward Plan and identify items which it would like to have an impact upon.
- 8.3 The Council's Forward Plan is published on a monthly basis and sets out the key decisions to be taken by the Council in the next twelve months. The Council only has a statutory duty to publish key decisions to be taken in the next four months. However, the Forward Plan was expanded to a twelve month period to give a clearer picture of how and when the Council will be making important decisions.
- 8.4 A key decision is a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.
- 8.5 The Forward Plan also identifies non-key decisions to be made by the Council in the next twelve months, and the Committee, if it wishes, may also pre-scrutinise these decisions.
- 8.6 The Committee should be mindful that any work it wishes to undertake would need to be undertaken without the need to change the timescales as set out within the Forward Plan. The Committee may wish to give greater consideration to the reports in Section 2 of Appendix 1, to maximise the time available for Members to input into the process.

## **Finance and Audit Scrutiny Committee WORK PROGRAMME 2016**

### **31 August 2016**

1	Internal Audit Quarter 1 Report	Audit Item	Richard Barr
2	Annual Governance Statement Action Plan Review Quarter 1 Report	Audit Item	Richard Barr
3	Contracts Registers Reviews 2016/17 – Housing & Property Services	Scrutiny Item	Andy Thompson

### **20 September 2016**

1	Statement of Accounts 2015/16 – as set out on the Council agenda for 21 September 2016	Audit Item	Mike Snow
---	--	------------	-----------

### **27 September 2016**

1	Risk Registers Reviews 2016/17 – Chief Executives Office	Audit Item	Richard Barr
2	Learning from the outcome of the further Audit work on the Electrical Repair and Maintenance contract as discussed on 2 June 2016	Audit Item	Chris Elliott
3	Infrastructure Delivery Plan Update	Scrutiny Item	Development Services

### **1 November 2016**

No items scheduled for consideration

### **29 November 2016**

1	Internal Audit Quarter 2 Report	Audit Item	Richard Barr
2	Annual Governance Statement Action Plan Review Quarter 2 Report	Audit Item	Richard Barr
3	Contracts Registers Reviews 2016/17 – Cultural Services	Scrutiny Item	Rose Winship
4	Treasury Management Activity Report for the period 1 April 2016 to 31 October 2016	Audit Item	Karen Allison

### **4 January 2017**

1	Risk Registers Reviews 2016/17 – Housing & Property Services	Audit Item	Richard Barr
---	--	------------	--------------

**7 February 2017**

No items scheduled for consideration

**7 March 2017**

1	Internal Audit Quarter 3 Report	Audit Item	Richard Barr
2	Annual Governance Statement Action Plan Review Quarter 3 Report	Audit Item	Richard Barr
3	Contracts Registers Reviews 2016/17 – Development Services	Scrutiny Item	Tracy Darke

**4 April 2017**

1	Internal Audit Strategy & Plan 2016/17 – 2018/19	Audit Item	Richard Barr
2	Significant Business Risk Register	Audit Item	Richard Barr
3	Finance Risk Register	Audit Item	Mike Snow
4	2015/16 Audit Opinion Plan	Audit Item	Mike Snow / EA
5	End of Term Report	Scrutiny item	Amy Carnall / Chair
6	Risk Registers Reviews 2016/17 – Cultural Services	Audit Item	Richard Barr

External Auditors reports – Dates to be confirmed

**Future Work Programme Items**

<b>Date</b>	<b>Contracts Registers Reviews</b>	<b>Risk Registers Reviews</b>
May 2017		
June 2017	Neighbourhood Services	
July 2017		Development Services
August 2017		
September 2017	Finance	
October 2017		Health & Community Protection



## **Warwick District Council Forward Plan September 2016 to November 2016**

**Councillor Andrew Mobbs  
Leader of the Executive**

The Forward Plan is a list of all the Key Decisions which will be taken by the Executive or its Committees in the next four months. The Warwick District Council definition of a key decision is: - a decision which has a significant impact or effect on two or more wards and/or a budgetary effect of £50,000 or more.

Whilst the majority of the Executive's business at the meetings listed in this Forward Plan will be open to the public and media organisations to attend, there will inevitably be some business to be considered that contains, for example, confidential, commercially sensitive or personal information.

This is formal notice under the Local Authorities (Executive Arrangements)(Meetings and Access to Information)(England) Regulations 2012 that part of the Executive meeting listed in this Forward Plan will be held in private. This is because the agenda and reports for the meeting will contain exempt information under Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) and that the public interest in withholding the information outweighs the public interest in disclosing it. Those items which are proposed to be considered in private are marked as such along with the reason for the exclusion in the list below.

If you would like to make representations or comments on any of the topics listed below, including the confidentiality of any document, you can write to the contact officer, as shown below, at Riverside House, Milverton Hill, Royal Leamington Spa, Warwickshire, CV32 5HZ. Alternatively you can phone the contact officer on (01926) 456114. If your comments are to be referred to in the report to the Executive or Committee they will need to be with the officer 7 working days before the publication of the agenda. You can, however, make comments or representations up to the date of the meeting, which will be reported orally at the meeting. The Forward Plan will be updated monthly and you should check to see the progress of the report you are interested in.

**(823)**

## Section 1 – The Forward Plan September 2016 to November 2016

<b>Topic and Reference</b>	<b>Purpose of report</b>	<b>If requested by Executive –date, decision &amp; minute no.</b>	<b>Date of Executive, Committee or Council meeting</b>	<b>Publication Date of Agendas</b>	<b>Contact Officer &amp; Portfolio Holder</b>	<b>External Consultees/ Consultation Method/ Background Papers</b>
----------------------------	--------------------------	---	--	------------------------------------	---	--

### 1 September 2016

Employment Land Memorandum of Understanding (Ref 820)	To endorse the Coventry and Warwickshire Employment Land Memorandum of Understanding which was supported by all Councils at the Coventry and Warwickshire Joint Committee on 21 July 2016		Executive 1/9/2016	23/8/16	Dave Barber Cllr Cross	Submitted Local Plan (January 2015)  Local Plan Modifications (February 2016)
---	---	--	--------------------	---------	---------------------------	---

### 28 September 2016

Fees and Charges (Ref 770)	To propose the level of fees and Charges to be levied from 2nd January 2016		Executive 28/9/2016	20/9/2016	Andy Crump Cllr Whiting	
Leisure Development – Phase II (Kenilworth) (Ref 803)			Executive 28/9/2016	20/9/2016	Rose Winship Cllr Coker	
Code of Procurement Practice (Ref 805)	To consider and recommend to Council and updated Code of Procurement Practice		Executive 28/9/2016	20/9/2016	John Roberts Cllr Whiting	

Street Trading Policy Review (Ref 811)	To consider a revised Street Trading Policy following public consultation.		Executive 28/9/2016	20/9/2016	Kathleen Rose Cllr Grainger	Public Consultation -internet, letters to stake and licence holders
---	--	--	------------------------	-----------	--------------------------------	---

## 2 November 2016

Budget review Quarter 2 (Ref 779)	To report expenditure for current year and update financial projections		Executive 2/11/2016	25/10/2016	Andy Crump Cllr Whiting	
Visitor Information Review (Ref 816)	Review of the provision of visitor information services within the District		Executive 2/11/2016	25/10/2016	David Butler Cllr Butler	Item 7 Executive 2 June 2016
WDC Enterprise – New Trading Arm (Ref 817)	To seek approval to establish a Local Authority Trading Company, to expand support provision whilst capitalising on existing skills to maximise income		Executive 2/11/2016	25/10/2016	Gayle Spencer Cllr Butler	

## 30 November 2016

Rural Urban Community Initiative Scheme applications (Ref 778)	Consider applications for Rural and Urban Initiative Grants		Executive 30/11/2016	22/11/2016	Jon Dawson Cllr Whiting	
HRA Budgets 2016/17 (Ref 780)	To Consider the following year revenue budgets for the HRA.		Executive 30/11/2016	22/11/2016	Mike Snow Peter Phillips	
New Rent Arrears Policy (Ref 748)	To seek approval of new rent arrears policy for WDC Council Tenants		Executive 30/11/2016	22/11/2016	Jacky Oughton Cllr Phillips	

## Section 2 Key decisions which are anticipated to be considered by the Council between December 2016 and May 2017

Topic and Reference	Purpose of report	If requested by Executive –date, decision & minute no.	Date of Executive, Committee or Council meeting	Publication Date of Agendas	Contact Officer & Portfolio Holder	External Consultees/ Consultation Method/ Background Papers
---------------------	-------------------	--	---	-----------------------------	------------------------------------	---

There is no planned meeting of the Executive in December 2016.

### 5 January 2017.

Local Council Tax Reduction Scheme (Ref 806)	Final approval of Scheme after consultation		Executive 5/1/2017	22/12/2016	Andrea Wyatt Cllr Whiting	
Recommendations from One Stop Shop Review (Ref 812)	The report will formally ask for the recommendations from the review to be agreed		Executive 5/1/2017	22/12/2016	Graham Folkes-Skinner Cllr Shilton	Warwickshire County Council

### 8 February 2017

General Fund 2017/18 Budgets & Council Tax (Ref 807)	To updates member on the overall financial position of the Council, consider the General Fund Revenue and Capital Budgets for the following financial Year,		Executive 8/2/2017	31/1/2017	Mike Snow Cllr Whiting	
HRA Rent Setting 2017/18 (Ref 808)	To report on the proposed level of Housing Rents for the following year and the proposed budget		Executive 8/2/2017	31/1/2017	Mike Snow Cllr Phillips	



Heating, Lighting and Water Charges 2017/18 – Council Tenants (Ref 809)	To propose the level of recharges to council housing tenants to recover the costs of communal heating, lighting and water supply.		Executive 8/2/2017	31/1/2017	Mike Snow Cllr Phillips	
Treasury Management Strategy (Ref 810)	To seek member approval of the Treasury Management Strategy and Investment Strategy for the forthcoming year		Executive 8/2/2017	31/1/2017	Mike Snow Cllr Whiting	
Housing Related Support Services (Ref 777)	To propose new Housing Related Support services for tenants of the Council		Executive 8/2/2017	31/1/2017	Jacky Oughton Cllr Phillips	

**8 March 2017** – No scheduled reports at this time.

Housing Futures – Revised Housing Revenue Account Business Plan (Ref 775)	To propose a revised Housing Revenue Account Business Plan		Executive 8/3/2017	28/02/2017	Andy Thompson Cllr Phillips	
Housing Futures – Housing and Homelessness Strategy 2017 (Ref 822)	To propose a new Housing and Homelessness Strategy for Warwick District		Executive 8/3/2017	28/02/2017	Andy Thompson Cllr Phillips	

**5 April 2017** – No scheduled reports at this time.

Section 3 Key decisions which are anticipated to be considered by the Council but the date for which is to be confirmed						
Topic and Reference	Purpose of report	History of Committee Dates & Reason code for deferment	Contact Officer & Portfolio Holder	Expansion on Reasons for Deferment	External Consultees/ Consultation Method/ Background Papers	Request for attendance by Committee
Council Housing Development Programme (Ref 813)	To request approval for a development programme for new council-owned homes	Executive 27/7/2016 Reasons: 4 (Replaces report on Acorn Close development proposal)	Andy Thompson Cllr Phillips	Awaiting: i) outcome of feasibility studies (e.g. financial, planning , technical) on a number of sites to allow for long term programme to be proposed; ii) outcome of Housing Futures – Review of Housing Revenue Account Business Plan which will provide the information necessary to determine the financial capacity of the Council to invest in a new homes programme.		
Council Housing Asset Management Policy (Ref 774)	To request approval of the 'Council Housing Asset Management Policy – Disposal of Property'	Executive 6/4/2016 Reasons: 2, 4, 5	Andy Thompson Cllr Phillips	Awaiting outcome of Housing & Planning Bill which may influence the design and implementation of property disposals		

Private sector housing grants policy (Ref 658)	To propose a revised policy for the allocation of grant funding for private residents		Abigail Hay Cllr Phillips	This will come forward in due course once the Future of Housing Adaptations Service has been determined		TBC
HQ Relocation Project – outcome of phase 1 work (Ref 801)	To consider the outcomes of the phase 1 work and, if appropriate, seek approval for commencement of the phase 2 delivery works		Bill Hunt  Cllrs. Mobbs, Whiting, Cross, Shilton			
Council Development Company (Ref 727)	To consider a report on establishing a Council Development Company	<del>Executive</del> <del>9/3/2016</del> <del>2/6/2016</del> <del>Reason 2</del> <del>Reason 1</del> <del>29/6/2016</del>	Andy Thompson Cllr Phillips			
Asset Management Strategy (Ref 641)	To propose an Asset Management Strategy for all the Council's buildings and land holdings.	<del>Executive</del> <del>5/11/2014</del> <del>03/09/15</del> <del>2/6/2016</del> <del>(Moved</del> <del>Reason 6)</del> <del>29/6/2016</del>	Bill Hunt Cllrs Mobbs, Cross, Shilton, Coker & Whiting			
New Rent Arrears Policy (Ref 748)	To seek approval of new rent arrears policy for WDC Council Tenants	<del>Executive</del> <del>6/4/2016</del> <del>02/06/16</del> <del>Reason 1</del> <del>29/6/2016</del> <del>Reason: 4,5</del>	Jacky Oughton Cllr Phillips			
Council Housing Development Programme (Ref 798)	To request approval for a development of new council-owned homes in Stoneleigh and Warwick	<del>Executive</del> <del>29/6/2016</del> <del>27/7/2016</del> <del>Reason 4</del>	Matt Jones Cllr Phillips			

Strategic Opportunity Proposal (Ref 712)	To update Members on the current position.  It is anticipated that this report will be, in part, Confidential by virtue of the information relating to the financial or business affairs of any particular person (including the authority holding that information)	Executive <del>03/09/15</del> <del>30/09/15</del> <del>02/12/2015</del> <del>6/4/2016</del> <del>2/6/2016</del>	Chris Elliott Cllrs Mobbs, Coker, Phillips, Whiting & Cross	The Local Plan proposals have been subject to a number of public consultations and planning applications involved have also been subject to public consultation. The proposal has been the subject of discussion privately and confidentially with a number of agencies but especially with the County Council.  Submission version of Local Plan; Planning Application (W/14/1076); Planning Application (W/14/0967); Report		
Car Parking strategy (Ref 790)	To consider the future off-street car parking needs of Leamington, Warwick and Kenilworth and how these should be addressed	Executive <del>2/6/16</del> <del>27/7/2016</del> Reason 3	Rob Hoof  Cllr. Shilton			
69 Willes Road (Ref 815)	To request approval for the sale of 69 Willes Road	Executive <del>1/9/16</del> Reason 5	Matt Jones Cllr Phillips			

HS2 (Ref 818)	To request revisions to the Constitution/Delegation Agreement		Debbie Prince Cllr Cross	This will come forward once appropriate details have been received from HS2 in conjunction with legal advice received.		
Revisions to the Constitution/ Delegation Agreement (Ref 819)	To request revisions to the Constitution/ Delegation Agreement with regard to the determination of Planning Applications		Tracy Darke/Gary Fisher Cllr Cross	This is the subject of on-going discussion with key members.		
St Mary's Lands (Ref 821)	To report back on the public consultation undertaken this summer and to agree the next steps		Chris Elliott Cllr Butler		Range of events with local community and groups	
Aids and Adaptations Services (Ref 776)	To propose a new approach to providing aids and adaptations services for the residents of Warwick District	Executive <del>28/9/2016</del> Reason: 4	Abigail Hay Cllr Phillips	The financial assessment of the comparative costs of the options for the delivery of this service is still under review.		

**Section 4 – Items which are anticipated to be considered by the Executive but are NOT key decisions**

<b>Topic and Reference</b>	<b>Purpose of report</b>	<b>If requested by Executive – date, decision &amp; minute no.</b>	<b>Date of Executive, Committee or Council meeting</b>	<b>Publication Date of Agendas</b>	<b>Contact Officer &amp; Portfolio Holder</b>	<b>External Consultees/ Consultation Method/ Background Papers</b>
Flag Flying Policy for the Town Hall	To consider a policy for flying flags at the Town Hall.		Executive 1/9/16	23/8/16	David Guilding Cllr Coker	
Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council.		Executive 28/9/2016	20/9/2016	Richard Barr Cllr Whiting	
Recording and Broadcasting of public meetings	To inform members of the research into the potential to record and broadcast all Council meetings as per the Notice of Motion to Council.	Council 29/6/2016	Executive 28/9/2016	20/9/2016	Graham Leach Cllr Mobbs	
Councillors IT	To report back on the work of the Councillor IT Working Party.		Executive 28/9/2016	20/9/2016	Graham Leach Cllr Mobbs	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants.		Executive 28/9/2016	20/9/2016	Jon Dawson Cllr Whiting	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants.		Executive 2/11/2016		Jon Dawson Cllr Whiting	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants.		Executive 30/11/2016		Jon Dawson Cllr Whiting	

Review of Significant Business Risk Register	To inform Members of the Significant Risks to the Council.		Executive 5/1/2017		Richard Barr Cllr Mobbs	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants.		Executive 5/1/2017		Jon Dawson Cllr Whiting	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants.		Executive 8/2/2017		Jon Dawson Cllr Whiting	
Nomination of Chair	To nominate to Council the Chair and Vice-Chairman of the Council for 2017/18.		Executive 8/2/2017		Graham Leach Cllr Mobbs	
Rural Urban Community Initiative Scheme applications	Consider applications for Rural and Urban Initiative Grants.		Executive 5/4/2017		Jon Dawson Cllr Whiting	

Delayed reports:

If a report is late, officers will establish the reason(s) for the delay from the list below and these will be included within the plan above:

1. Portfolio Holder has deferred the consideration of the report
2. Waiting for further information from a Government Agency
3. Waiting for further information from another body
4. New information received requires revision to report
5. Seeking further clarification on implications of report

**Details of all the Council's committees, Councillors and agenda papers are available via our website [www.warwickdc.gov.uk/committees](http://www.warwickdc.gov.uk/committees)**

**The forward plan is also available, on request, in large print on request, by telephoning  
(01926) 456114**