

Finance and Audit Scrutiny Committee

Minutes of the meeting held on Tuesday, 13 January 2015 at the Town Hall, Royal Leamington Spa at 6.00pm.

Present: Councillor Barrott (Chair): Councillors Mrs Bunker, Dhillon, Gifford, Mrs Knight, MacKay, Mrs Mellor, Rhead, Mrs Syson and Williams.

Also Present: Councillors Mrs Gallagher, Mobbs and Vincett (Portfolio Holders).

Apologies for absence were received from Councillor Pratt.

94. **Substitutes**

Councillor Gifford substituted for Councillor Pittarello.

95. **Declarations of Interest**

There were no declarations of interest.

96. **Minutes**

The minutes of the meeting held on 2 December 2014 were taken as read and signed by the Chair as a correct record.

97. **Risk Register Review – Chief Executives Office**

The Committee received a report from the Chief Executive's office which set out the process for the review by Finance & Audit Scrutiny Committee of the Chief Executive's Office Service Risk Register.

In January 2012 the Executive agreed various strategies to review and monitor service area risk registers including insisting that the relevant portfolio holders should attend the Finance & Audit Scrutiny Committee meeting, when their respective service risk register was being reviewed.

The Chief Executive's Office Service Risk Register was part of the Council's corporate risk management framework. The Register reflected the Council's corporate priorities and key strategic projects that were contained in Fit for the Future as they related to the functions delivered by the Services in the Chief Executive's Office.

The latest version of the Chief Executive's office risk register was attached as appendix 1 and the guidelines relating to the scoring criteria were attached as appendix 2 to the report.

This risk register was owned and managed by the Chief Executive and members of staff within the service had been made aware of the register and had input through team meetings and one-to-one meetings where risks were regularly discussed.

The Leader, Councillor Mobbs attended as Portfolio Holder for this item and reminded Members that due to the nature of the business, there would always be some risks in the 'red' section. This was because of their potential impact and not necessarily because of the likelihood of them occurring.

The Deputy Chief Executive & Monitoring Officer delivered the report and clarified which departments fell under the Chief Executive's office. He signposted Members to paragraph 10.3.2 of the report which listed three of the main risks for some of the departments. These were the forthcoming Parliamentary, District and Parish/Town Council elections in May 2015, the potential loss of key staff and the loss of confidential data.

The Leader explained an amendment to risk E51 on page 12, Appendix 1, which should have read 'project to start summer 2014' and updated Members on risk SS10, page 4/24, because an HR/Payroll Project Officer had now been recruited.

Members raised a number of issues including whether the mitigating measures in relation to staffing problems were too general. The Audit & Risk manager, Mr Barr, advised Members that a risk register at this level would invariably appear to have non-precise nature and some descriptions had to be detailed simply, to avoid producing long, wordy appendices.

Clarification was given on the difficulties of recruiting staff into certain roles, when the salaries in the private sector were much higher than local government.

Members highlighted a number of risks that did not appear to have moved and some which had moved but had no arrows indicating the direction of movement. Councillor Mobbs reiterated that there would always be some risks which remained in the 'red' but accepted that consistency with the reports was needed.

In addition, he congratulated the Civic and Committee Services team for the considerable action that had taken place to reduce the risk CCS9, relating to the Data Protection, Freedom of Information and Environmental Impact Requests policy and process.

The Finance and Audit Scrutiny Committee therefore

Resolved that the Chief Executive's Office Service Risk Register, attached as appendix 1 to the report, is noted.

98. **Executive Agenda (Non Confidential Items & Reports) –
Wednesday 14 January 2015**

The Committee considered the following items which would be discussed at the meeting of the Executive on Wednesday 14 January 2015.

Agenda Item 11 – Significant Business Risk Register

The Committee supported the recommendations in the report but highlighted that Appendix 2 did not marry up with the information supplied in Appendix 1.

99. **Public and Press**

Resolved that under Section 100A of the Local Government Act 1972, the public and press be excluded from the meeting for the following item, by reason of the likely disclosure of exempt information within paragraphs 7 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

100. **Executive Agenda (Confidential Items & Reports) – Wednesday 14 January 2015**

The Committee considered the following item which would be discussed at the meeting of the Executive on Wednesday 14 January 2015.

Item 14 – Election 2015 Count Venue – Exemption to Code of Procurement Practice

The Committee supported the recommendations in the report.

101. **Procurement Progress Update**

The Committee received a report from Finance which updated progress on procurement during the financial year 2014/15.

It was agreed at the July 2010 Executive that, as part of the Procurement Strategy, Members would receive an annual update on the progress of procurement and the procurement strategy.

The 2013 revision of the Code of Procurement Practice was continuing to be utilised for procurement activity across the Council. However, an updated code was presented to the Executive in December 2014 and would be confirmed by Council on 28 January 2015.

Councillors Rhead, Syson and Knight were the "Procurement Champions". This had involved having meetings with officers to discuss the progress on the procurement action plan and to "champion" the procurement work that was on-going. More recently they had supported the Procurement team in ensuring that service areas with a responsibility for contract management, managed the contract life cycle including costs and ensured that they programme the renewal of a contract in a timely manner.

The report detailed the position of contracts awarded for the current year to date. The table provided at 7.4 of the report explained the procurement activity from April 2014 to January 2015 with a description of

the contract, the relevant service area, value and supplier. The table showed the contracts awarded, live tendering opportunities, planned tender exercises and those contracts not awarded.

The Contracts Register had been reviewed with all section heads and budget holders to ensure all information held on the register was correct. Where a contract was due to expire, an explanation was entered and renewal programme agreed. The register would continue to be monitored and entries challenged where applicable.

Members were advised that although the new Code of Procurement Practice had not yet been formally adopted, staff were working in line with the general ethos in advance of the Council meeting in January.

A number of issues were raised by Members including the public address system at the Town Hall which many felt did not function correctly. The Committee were reminded to alert officers to any difficulties they were having, especially with the hearing loop, and these could be dealt with by the Spa Centre Manager.

It was noted that the Finance team members had done some excellent work with the Heads of Departments and this work was now moving forward in the right direction.

Resolved that the advances in procurement are noted.

102. **Executive Agenda (Non Confidential Items & Reports) – Wednesday 14 January 2015**

The Committee considered the following items which would be discussed at the meeting of the Executive on Wednesday 14 January 2015.

Agenda Item 7 – 2014 National Bowls Championships - Review

The Committee supported the recommendations but raised queries as to why the funding requested in recommendation 2.2 could not be covered by the remaining Bowls Championship budget.

The Committee were extremely pleased with the way the whole championship ran and formally asked that all the staff involved in bringing this together be congratulated for all the hard work they put in to make it the success it was, not only for the bowlers, but for all the business' in Leamington and the District.

Agenda Item 12B – Options Appraisal tender process and service specification development – Exemption to Code of Procurement Practice – Sports Options

The Committee had no real option but to support the recommendations but were not satisfied that this issue could not have been foreseen when the original report came to Executive in November.

Agenda Item 12C – Use of Emergency Powers in respect of authorising an Exemption to the Code of Procurement Practice

The Committee supported the recommendations in the report.

Agenda Item 12D – Rural / Urban Capital Improvement Scheme Application

The Committee supported the recommendations in the report.

Agenda Item 8 – The Introduction of a proposed Pre-Application Charging Regime for development proposals

The Finance & Audit Scrutiny Committee raised some concerns about Tiers 2a and 2b putting applicants off asking for advice but supported the recommendation to consult.

Agenda Item 10 – Open Land at Chase Meadow

The Committee supported the recommendation but highlighted to the Executive that if they were to proceed with the land transfer they needed to be satisfied that any additional maintenance costs, beyond that stated in the report, would not present an additional financial burden on the Council. Should these additional costs occur, then this needed to be highlighted to the officers who put together the S106 agreements as there could be a lot more over the coming years.

103. Business Plan Performance Management Report

The Committee received a report from Housing and Property Services which updated Members on the performance outturn of the Housing Business Plan for quarters 1 and 2 of 2014/15 and the progress to date of the housing advisory project to accelerate and maximise the provision of new homes as part of the Housing Business Plan and to improve the value for money of the existing service.

The Business Plan Financial Framework for 2014/15 quarters 1 and 2 was attached at Appendix 1 and the Business Plan Financial Framework Exception Report was attached at Appendix 2 to the report. This detailed the reasons and mitigations for the significant variations over the 50 year period.

An updated Appendix 1 had been circulated electronically and hard copies were provided at the meeting. The original appendix had contained a formula error which had resulted in the figures in the bottom row being incorrectly subtalled. The figures in question related to the section entitled "overall effect of all changes below" but all other figures in the document remained unchanged.

The Portfolio Holder for Housing and Property Services, Councillor Vincett, outlined the report and gave a summary of the highlights. He explained that whilst an initial look at the variance may appear extreme, he was

comfortable with the programme because it was constantly changing and was being closely controlled by officers.

The Head of Housing and Property Services, Mr Thompson, and Councillor Vincett answered a number of questions from Members including the District's net management costs per home and how we compared to other Housing Associations.

In response to a query regarding the housing stock condition data being out of date, Members were advised that the asset data project was hoped to be complete by the end of summer 2015. In addition, an update on the HRA business plan would be submitted in February or March 2015.

An update was also provided on unsigned contracts with two currently still outstanding. If responses were not forthcoming soon, officers agreed that they would need to consider their options with that contractor and also agreed that the target had not been met.

Members discussed the possibility of receiving more frequent updates but were mindful that the update reports may show little change.

Resolved that

- (1) the performance outturn of the Housing Business Plan for quarters 1 and 2 of 2014/15, is noted; and
- (2) the progress to date of the housing advisory project to accelerate and maximise the provision of new homes as part of the Housing Business Plan and to improve the value for money of the existing service, is noted.

104. Comments from the Executive

A report from Civic and Committee Services summarised the Executive's responses to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 3 December 2014.

Resolved that the contents of the report be noted.

105. Review of the Work Programme & Forward Plan

The Committee considered its work programme for 2014/15 and the latest published version of the Forward Plan.

Members noted that the item regarding the Bowls Update report had been removed from their workplan because it had been covered by the full update report provided on the January Executive agenda.

Resolved that

- (1) the work programme for 2014/2015 be noted;
and
- (2) at present, there were no forthcoming Executive decisions which Members wished to have an input into before the Executive make their decision.

(The meeting ended at 8.30 pm)