

FINANCE AND AUDIT SCRUTINY COMMITTEE

Minutes of the meeting held on Tuesday, 25 August 2009, at the Town Hall, Royal Leamington Spa at 6.00pm.

PRESENT: Councillor Mrs Knight (Chair); Councillors, Malcolm Doody, Edwards, Guest, Illingworth, MacKay, Pittarello, Rhead, Mrs Tyrrell and Vincett.

ALSO PRESENT: Councillor Mobbs (Portfolio Holder for Finance).

37. DECLARATIONS OF INTEREST

No declarations were made at the meeting.

38. 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 the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

39. INTEGRATED WASTE CONTRACT UPDATE

The Committee considered a report from Neighbourhood Services regarding the ongoing discussions about the integrated waste contract conditions.

The tender for the contract had been accepted by the Executive in October 2007 and it started on the 31 March 2008, although the contract had not been formerly signed.

The Council had entered into discussions with SITA in recent months, in order to agree contract documentation, and to sign the Integrated Waste Contract.

A summary of the issues that had been discussed were set out in Appendix 1, to the report.

The verbal update, at the meeting, from the Head of Neighbourhood Services explained that in essence, the Council was now waiting for a response from SITA.

RESOLVED that officers complete the signing of the contract with SITA as soon as practicably possible, while liaising with Councillors Pittarello and Rhead to help expedite the matter, with a further report to the September meeting of the Committee.

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During this item the Committee Services Officer highlighted to Councillor Kinson, that because he had been on the Executive when the decision to award the contract, had been made, and more specifically, had been the Portfolio Holder for this Service Area, he should not take part in the discussion on this item. From this point, Councillor Kinson took no further part in the discussion and refrained from addressing the Committee on this item.

40. EXECUTIVE AGENDA (NON-CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following non confidential item which would be discussed at the meeting of the Executive on Wednesday 26 August 2009.

Agenda Item Number 4 - Asset Management Plan

The Finance & Audit Scrutiny Committee supported the recommendations in the report. In addition the Committee passed a number of observations which they felt should be noted:

- On page 38 it should read Kingsway Social Club not Kingsbury Social Club;
- There should be reference to the green spaces that work for the Council, such as Oakley Wood and the wood extraction plan;
- There should be a more clearly defined recognition of those Ancient Monuments which the Council maintained; and
- The Committee did not think the statement regarding maintenance was correct because members were aware of issues regarding maintenance which was required at two sites in Kenilworth (Kenilworth Cemetery and Abbey Fields Gate House). The Committee asked officers to investigate these and any other sites which were not listed and include these in future.

41. INTERNAL AUDIT QUARTER 1 PROGRESS REPORT

The Committee considered a report from Finance that advised on progress made towards achieving the Internal Audit Plan for 2009/10, summarised the audit work completed in the first quarter and provided assurances that where appropriate, action had been taken.

RESOLVED that the report be noted.

42. 2008/09 ANNUAL TREASURY MANAGEMENT REPORT

The Committee considered a report from Finance that detailed the Council's Treasury Management performance for 2008/09, which was attached as Appendix A to the report.

The Committee was responsible for scrutinising the Council's Treasury Management activities and by law the Council was required to report on its performance by 30 September of each year.

RESOLVED that

- (1) the report be noted; and

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

- (2) the officers involved be congratulated on their excellent work which had been undertaken on treasury management that lead to significant benefits for the Council in the last financial year.

43. TREASURY MANAGEMENT ACTIVITY REPORT FOR THE PERIOD APRIL TO JUNE 2009

The Committee considered a report from Finance that detailed the Council's Treasury Management performance for the period 1 April 2009 to 30 June 2009.

It was explained to the Committee that at present the current global financial situation was having a big impact on the returns received by the Council on their investments. Discussions were due to take place with the Council's external investment company.

It was also explained that there would be a VAT calculation refund from Her Majesties Revenues and Customs to the Council in the region of £600,000 plus a similar amount in interest. This was the result of a High Court case and full details would be provided in the budget monitoring report to the Executive in October 2009.

RESOLVED that the report be noted.

44. BUDGET AND IMPROVEMENT PROGRAMME

The Committee considered a report from the Chief Executive's Office which detailed the aims and objectives of the budget improvement programme that had been established by the Council.

This was the first report to the Committee as part of their role as project assurance to ensure that the overall programme was on track and operating correctly. The report also outlined this list of project that would be undertaken, although it was accepted that the details of the work of some of these projects was sparse, but a detailed report would be submitted to the Executive in September 2009.

RESOLVED that the report be noted.

45. CONSULTATION ON STRENGTHENING LOCAL DEMOCRACY

The Committee considered a report from Members' Services on the consultation document produced by the Department for Communities and Local Government (DCLG) called Strengthening Local Democracy which builds on the Government's commitment in the Building Britain's Future document.

The DCLG had asked for comments by 2 October 2009, and this document had also been submitted to the Overview and Scrutiny Committee for comment.

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Ben Wesson from Warwickshire Youth Parliament had also been invited to attend the meeting by Councillor Mrs Knight, and gave his view on the consultation document.

He felt that within the document young people didn't tend to feature much throughout it and this seemed strange to him and where young people were mentioned, it was only in a negative light. Although he assumed that the term 'citizens' was an umbrella term which included young people.

Overall, he felt that that it was a good consultation document, and recommended that. The Council should engage with young people more.

There were concerns from some members of the Committee thought that if the Conservative Party won the next general election, a lot of the information within this document would be scrapped. Also all of the work outlined within the document whilst in theory was good, required resources and members did not feel that this would be forth coming.

However the Committee still felt it would be beneficial to have a Joint Task & Finish Group with the Overview & Scrutiny Committee to provide a joint response for consideration by the Executive in September 2009.

RESOLVED that

- (1) the Task and Finish Group be established to formulate a draft response to the consultation and were given delegated authority to formulate the comments from the two Scrutiny Committee for forwarding to the Executive; and
- (2) the Task and Finish Group to consist of Councillors Edwards, Knight and Pittarello, Ben Wesson (Member of the Youth Parliament) and two Councillors from Overview and Scrutiny Committee.

(Councillor Mobbs arrived at the meeting end of this item)

46. 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 the paragraph 3 of Schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006.

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

47. EXECUTIVE AGENDA (CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Wednesday 26 August 2009.

Item Number 14. - South Warwickshire Tourism

The Committee discussed this matter at length and whilst the members accepted the recommendations in the report, they felt they had little option but to support them.

The Committee also noted that the Task & Finish Group looking at Expenditure on Tourism would be reporting in October 2009.

Item Number 13 - Voluntary Land Registration Project

The Committee accepted the recommendations in the report.

(Councillors Mobbs and Guest left at the conclusion of this item)

47. MINUTES

The minutes of the meeting held on 14 July 2009 having been circulated were taken as read and signed by the Chairman as a correct record.

48. EXECUTIVE AGENDA (NON-CONFIDENTIAL ITEMS & REPORTS)

The Committee considered the following non-confidential items which would be discussed at the meeting of the Executive on Wednesday 26 August 2009.

Item Number 8 - Pump Room Gardens

The Committee felt that in general this was a good idea, however they felt that there should be a better business case for this project.

In addition, the report was not clear. Was the £1,000 sponsorship figure, per year for a fixed contract of five or ten years, or a one off payment? The members felt that the project should be self financing through sponsorship and wondered if this money was worth investing during the challenging financial times faced by the Council.

They also wondered that if the arches were to cost £11,000 each, should the sponsorship figure actually be £10,000 over five or ten years. They queried the figures because in paragraph 3.4 it says £75,000 and in 3.5 it states £77,000 cost. The total for Warwick District Council added up to £68,000, but it was suggested in the recommendations that half amount (£33,000) was funded from the contingency budget, however half of £68,000 was £34,000.

The Committee also felt that those events which took place in the Pump Room Gardens should be charged, so that the Council made a profit from them and this money was set aside for investment in this project.

For all of these reasons, the Committee felt the project should not progress until a justified business case was submitted and approved by the Committee.

FINANCE AND AUDIT SCRUTINY COMMITTEE (Continued)

Item Number 3 - Shared Services strategy

The Committee supported the recommendations in the report and welcomed the savings this had produced so far.

Item Number 9 - Overview & Scrutiny Committee and Finance & Audit Scrutiny Committee Update

The Committee wished to highlight to the Executive the excellent work undertaken by the Council's Finance department on treasury management that had led to significant benefits for the Council in the last financial year.

The Committee also asked if it would be possible in October/November 2009 for a report to be submitted on the outcome of the consultation on the Core Strategy, prior to the submission of the report to the Executive in February 2010.

49. LOCAL GOVERNMENT PENSION SCHEME UPDATE

The Committee considered a report from Finance that provided information regarding the Local Government Pension Scheme (LGPS). The report provided an update on the scheme to aid members understanding of the benefits and issues relating thereto.

RESOLVED that the report be noted.

50. COMMENTS FROM THE EXECUTIVE

The Committee considered a report from Members' Services which summarised the Executive's response to comments which the Finance & Audit Scrutiny Committee gave on reports submitted to the Executive on 15 July 2009.

The report was produced to create a dialogue between the Executive and the Finance & Audit Scrutiny Committee, ensuring that the Scrutiny Committee was formally made aware of the Executive's responses. The same arrangement applied previously to the Executive and the Audit & Resources Scrutiny Committee.

RESOLVED that the responses made by the Executive, be noted.

51. FORWARD PLAN

The Committee considered a report from Members' Services which informed the Members of the current Forward Plan which was attached at appendix 1 to the report.

One of the five main roles of overview and scrutiny in local government was to undertake pre-decision scrutiny of executive decisions. If the Committee had an interest in a future decision to be made by the Executive it was within the Committee's remit to feed into the process.

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The Forward Plan was the future work programme for the Executive. If a non-executive member highlighted a decision(s) to be taken by the Executive which they would like to be involved in, the member(s) could then provide useful background to the Committee when the report was submitted to the Executive and passed comment on it.

RESOLVED that the Councillors, as set out below contact the relevant officers and discuss their report and report any issues to this Committee ahead of them being submitted to the Executive:

Fees and charges – Councillor Rhead
Biomass Programme – Councillor Mrs Knight
Catering contract – Councillor Mrs Knight

52. REVIEW OF THE WORK PROGRAMME

The Committee considered a report from Members' Services that detailed their work programme for the year.

The Interim Deputy Chief Executive explained that the report on Data Quality would be submitted to the September meeting of the Committee and the report on Key Risk Indicators would be submitted to the December meeting of the Committee.

RESOLVED that the work programme be approved subject to:

- (1) the Data Quality Report be deferred to September 2009;
- (2) Key Risk Indicators report be deferred to December 2009;
- (3) Procurement Working Party be added to the September meeting;
- (4) Expenditure on Tourism Task & Finish Group report be added to the October meeting;
- (5) the additional meetings in November 2009 and April 2010 be added; and
- (6) training be arranged on the budget setting process, including details of where the money comes from.

(The meeting ended at 9.10pm)