

# Finance and Audit Scrutiny Committee

Minutes of the meeting held on Thursday 26 September 2019 at the Town Hall, Royal Leamington Spa at 6.00pm.

**Present:** Councillor Nicholls (Chair); Councillors: Bartlett, J Dearing, R Dickson, Jacques, Leigh-Hunt, Syson and Tracey.

## 49. Apologies and Substitutes

- (a) apologies for absence were received from Councillor Wright; and
- (b) there were no substitutes for the meeting.

## 50. Declarations of Interest

### Minute Number 60 – Review of Pump Room Gardens Restoration Project

Councillor Syson declared an interest because she was Chair of the Leamington Society who had been involved with the project and received representations from the Friends of Pump Room Gardens.

Councillor Nicholls informed the meeting that he had been contacted by the Friends of Pump Room Gardens as a Ward Councillor for the Pump Room Gardens.

## 51. Public and Press

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

## 52. Executive Agenda (Confidential Items & Reports – Thursday 3 October 2019)

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Thursday 3 October 2019.

### Item 14 - Catering & Events Concessions Contract – Royal Pump Rooms and Jephson Gardens Glasshouse – update report

The Committee noted the recommendation and that they would like to see a report following the first year of trading of the new arrangements.

(The meeting resumed in public session.)

53. **Procurement Progress Update – annual for financial year 2019/2020**

The Committee received a report from Finance that provided a snap shot on how procurement was organised within the Council and the resources that were being utilised to deliver effective procurement. The report updated on procurement activities during the financial year 2019/20.

The Council's combined expenditure was approximately £38 million a year on the acquisition of goods and commissioning of works and services through procurement activity and the provision of grants to third party organisations.

The Procurement Team had been: embedding the procurement shared service arrangement with Warwickshire County Council (WCC); supporting the dissemination and increased awareness of the Code of Procurement Practice 2018 and new Procurement Strategy 2019-2023; launching digital initiatives to support procurement compliance such as the new contract register and interactive procurement workflow questionnaire on the intranet, and the electronic supplier questionnaire on the e-procurement portal; and supporting the delivery of a large number of procurement exercises for goods, services and works, including the corporate insurance, country park design consultancy, Leamington Christmas Lights (a collaborative procurement with BID Leamington and Royal Leamington Spa Town Council) and bowling green regeneration.

The new procurement strategy had been approved to align the Council with its current corporate objectives, its sustainability agenda, and the objectives set in the National Procurement Strategy 2018. This strategy had been embedded into the procurement action plan to ensure that its objectives were fulfilled, including providing support for the new Council 'Climate change emergency' agenda.

The appendices to the report detailed progress on procurement during the year, including: Progress against Procurement Action Plan to achieve strategic procurement objectives for 2019/20; Procurement Activity from April 2019-Sept 2019; and the Contract Exemptions Permitted: April 2018 – March 2019.

In January 2018, the Executive had agreed that the Council would enter a partnership with WCC for strategic procurement support. This was partly due to the problems that the Council had in recruiting and retaining senior procurement officers. This partnership was reviewed in more detail within the Procurement Report to the Executive on 3 April 2019 and had been extended until March 2023 with a review planned for March 2020.

In response to questions from the Committee, it was explained that:

- social value was a quality criterion for all contracts over £100k. This highlighted key areas of social priorities for the Council and the company submitting the tender. It then explained what they could do to enhance this;
- the weighting added to this question in the overall score for the bid was allocated by the commissioning officer prior to tender invites being issued;

- the general rule within scoring criteria was that price was allocated no more than 50%, but the commissioner set the values depending on the contract;
- the social value consideration was only required, by law, for service contracts over the EU threshold. However, the Council was exceeding this requirement by including it for all types of contracts with a value in excess of £100k;
- following the declaration of a Climate Change Emergency by the Council, work had started on an action plan on how this could be included through the full procurement life cycle, which would result in policy changes; and
- the Council had already included a single use plastics policy as part of commission process.

**Resolved** that the progress across the procurement function over the past year be noted.

54. **Executive Agenda (Non-Confidential Items & Reports – Thursday 3 October 2019)**

The Committee considered the following item which would be discussed at the meeting of the Executive on Thursday 3 October 2019.

Item 3 - Fees and Charges

The Committee noted that Everyone Active had 18 core prices on which they had held the price of seven last year, and had informally indicated that four of these would be held again this year. It was also noted that officers would seek a contract amendment, with Everyone Active, so that the proposed fees could be considered earlier.

55. **Public and Press**

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

56. **Executive Agenda (Confidential Items & Reports – Thursday 3 October 2019)**

The Committee considered the following confidential items which would be discussed at the meeting of the Executive on Thursday 3 October 2019.

Item 12 - Affordable Housing Purchase – Spring Lane, Radford Semele

The Committee noted the report and that the scheme was self-funding.

For the sake of clarity, the Committee requested a report at its next meeting to confirm the number of new Council houses, purchased or constructed since 2015, the cost of these and the money available within the HRA budget for such projects. The report should also detail the number

of house types (i.e. social, affordable, or shared ownership) within each scheme.

The Committee also took the opportunity to thank Mr Bruno for his work with the Council and wished him well for the future.

Item 13 - Regeneration of the Leper Hospital Site, Saltisford, Birmingham Road, Warwick (St Michael's Chapel and Master House)

The Committee noted the recommendations in the report.

(The meeting resumed in public session.)

**57. Executive Agenda (Non - Confidential Items & Reports – Thursday 3 October 2019)**

The Committee considered the following item which would be discussed at the meeting of the Executive on Thursday 3 October 2019.

Item 10(b) - Significant Business Risk Register

The Committee noted the report.

**58. Review of the Work Programme and Forward Plan**

The Committee received a report from Committee Services that detailed its work programme for 2019, the forward plan (work programme of the Executive) and the comments from the Executive in response to comments from this Committee in August.

**Resolved** that the report and its Appendices be noted.

**59. Minutes**

The Minutes of the meeting held on 20 August 2019 were taken as read and signed by the Chairman as a correct record.

**60. Review of Pump Room Gardens Restoration Project**

The Committee received a report from Neighbourhood Services that detailed the restoration works project undertaken at Pump Room Gardens. The report reviewed the project focusing upon three elements: governance and contract management, any costs of delays or additional works and lessons learned.

The restoration of the Pump Room Gardens was a £1.4m Heritage Fund (HF – formerly Heritage Lottery Fund) Parks for People project funded through nearly £1m from HF, £200,000 from the Council, £100,000 from the Friends of the Pump Room Gardens (FoPRG) and the remainder from sponsorship and non-cash contributions.

The capital works were carried out by two contractors: idverde, for the main landscaping and works (contract value: £754,972) and Lost Art Limited, for the bandstand restoration (contract value: £254,238). The landscaping works were largely completed in March 2019 and the recent

Leamington in Bloom Gold Medal award specifically referenced the restored Gardens as being “amongst the highlights of the tour”. The bandstand was complete aside from external works to the plinth and undercroft opening. This was alongside an ongoing Activity Plan complementing the physical work and focused on wider engagement and interpretation activities.

Following publication of the agenda, the Committee had received further concerns from the Friends of Leamington Pump Room Gardens and responses to these from officers.

The Committee recognised this had been a challenging project for all involved and that the report should be shared with the Senior Management Team of the Council as well the Infrastructure Delivery Group because of the points regarding Section 106 money. They specifically endorsed the need for a Clerk of Works for such significant and sensitive projects.

**Resolved** that

- (1) the report be noted; and
- (2) officers arrange a meeting with the Friends of Pump Room Gardens to resolve the issues regarding the bandstand and to set an agreed date for design/completion.

**61. Neighbourhood Services – Service Area Update**

The Committee received a report from Neighbourhood Services that detailed their Risk Register, Contract Register, Budget and Service Performance Report.

The Neighbourhood Services Risk Register was set out in Appendix 1 to the report. The register was last reviewed by the Neighbourhood Services Management Team and Portfolio Holder in August 2019. The register was annotated according to the key on the final page of the register and was a working document that was continually updated.

Neighbourhood Services were responsible for a wide range of services. There were 43 risks contained in the risk register. These had been categorised as “generic” or “risks specific to the teams” within the Service Area.

There were two risks shown in the “red”: Risk 29 - Difficulty in accessing statutory documents and other important (non-statutory) records and Risk 36 – Structural integrity of multi-storey car parks.

In respect of the difficulty in accessing statutory documents and other important (non-statutory) records, this risk related to the current ICT system used by Bereavement Services, due to its functionality and the ability to support the technology in the longer term. The process of identifying and procuring a new system had commenced this year.

For the Structural integrity of multi-storey car parks, the risk related to the condition of Linen Street Car Park in Warwick, and Covent Garden Car park in Royal Leamington Spa. They both had significant structural defects which

required ongoing monitoring and detailed surveys to ensure they could continue to operate safely until their future was decided.

Most of the risks were shown as “amber” in accordance with the Council’s risk scoring matrix. As with all risks in the register, it was the controls and mitigations that were being undertaken to control the risks that were of importance. These reflected the tangible actions over which there was more control.

The latest version of the Neighbourhood Services Contract Register was set out in Appendix 2 to the report, which included 31 live contracts listed.

The details of the Neighbourhood Services budget were included as Appendix 3 to the report.

Details of the performance of Neighbourhood Services against the 2018/19 Service Plan were included as Appendix 4 to the report. The 2019/20 Service Plan had been approved by the Executive on the 10 July 2019.

In response to questions from the Committee, it was explained that:

- the recycling level collected was relatively constant, 54-56% of waste, but green waste levels fluctuated depending on weather and seasonal;
- to improve the overall level of waste recycled, the Council needed to make a step change through the new contract;
- at present, it was considered the best way to improve the level of recycling was through a dedicated food waste collection every week;
- a dedicated food waste collection would cost more but the Council should receive more waste credits in return for increased recycling;
- the Government had suggested a new Waste Strategy from 2023 with increased reimbursement but the new contract for the Council was due to start in 2021. As a result, there was balance for the new contract in ensuring delivery of service but including the ability to change its details which would result in a change in price;
- the contract would normally be for a period of eight years plus a further possible eight years;
- consideration was being given to electric waste collection vehicles but at this time, there were no commercially viable models;
- there would be Euro6 diesel engine models available and consideration was being given to the carbon footprint of these models;
- there had been delays to the refresh of park equipment because the project manager had left;
- significant investment was planned in parks across the District and this was being considered on a Ward by Ward basis with relevant Councillors;
- in respect of the broadband connection for the Crematorium, the technology was in place and now relied on further upgrades with suppliers, the timescales of which were unclear;
- in respect of the Bereavement Records risk, a project was underway but this would take 12 months to complete because there was no margin for error with these records;
- consideration was being given to the future need for car parking overall including future proofing the asset through inclusion of charging points. However, this needed to be looked at as part of parking and travel strategy.

**Resolved** that the report and its appendices be noted.

62. **Public and Press**

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

63. **Confidential Appendix 3 to Item 9 Review of the Work Programme and Forward Plan & Comments from the Executive**

**Resolved** that the confidential Appendix 3 to Item 9 Review of the Work Programme and Forward Plan & Comments from the Executive, be noted.

64. **Confidential Minutes**

The confidential Minutes of the meeting held on 20 August 2019 were taken as read and signed by the Chairman as a correct record.

(The meeting ended at 7.30pm)

CHAIR  
12 November 2019