

EAST HERTS COUNCIL

EXECUTIVE – 3 DECEMBER 2019

REPORT BY CHAIRMAN OF THE PERFORMANCE, AUDIT AND GOVERNANCE OVERSIGHT COMMITTEE

PERFORMANCE, AUDIT AND GOVERNANCE OVERSIGHT COMMITTEE - UPDATE

WARD(S) AFFECTED: All

Purpose/Summary of Report

- This report details the reports considered and comments made by the Committee at its meeting of 29 October 2019.

<u>RECOMMENDATION:</u>	
(A)	That the Executive note the contents of the report.

1.0 Background

1.1 The Performance, Audit and Governance Oversight ('PAGO') Committee (the "Committee") last met on 29 October 2019.

1.2 Items considered by the Committee included:

- **Statement of Accounts**

The Committee received a presentation from the Council's Financial Services Manager on the draft Statement of Accounts for the financial year 2018/19. The presentation included a summary of why the audit process had been delayed; when the on-site work had commenced and when it would be concluded; and details of the outstanding items that were being reviewed.

It was noted that the Committee would review and, if thought fit, approve the draft Accounts for signature at its meeting on 19 November 2019, together with a Letter of Representation addressed to the Council's external auditor.

- **Treasury Management Outturn 2018/19**

The Committee reviewed a report from Executive Member for Financial Sustainability regarding the Council's treasury management activities for 2018/19 including the prudential indicators and the associated impact on the 2019/20 treasury management strategy. As part of its review the Committee considered the level of the Council's reserves; its negative capital financing requirement; the effect of the Council's investment in Millstream (including the estimated rate of return); and the background to the government's decision to increase PWLB borrowing rates.

After discussion, the Committee confirmed its approval of the Treasury Management 2018/19 activity and Prudential Indicators.

- **Treasury Management Mid-Year Review**

The Committee reviewed a report from the Executive Member for Financial Sustainability regarding the Council's treasury management activities for the first six months of the 2019/20 financial year including the prudential indicators. The Council's capital spending programme was considered where it was noted that a number of projects had been re-profiled.

Clarification was sought and obtained on the projected level of the Council's long-term liabilities, including the Council's borrowing profile with effect from April 2021. The Committee was also advised of the Council's Treasury Management Outturn activity and proposed changes to the prudential indicators for the first six months of the 2019/20 financial year.

After discussion, the Committee confirmed its support for the Council's Treasury Management Outturn activity and also the

proposed changes to the prudential indicators for the first six months of the 2019/20 financial year.

- **Economic Development Strategy**

The Committee received a report from the Executive Member for Planning and Growth on the Economic Development Vision for East Herts.

The Head of Communications, Strategy and Policy provided a summary of the report in terms of achievements since 2015 based on the six key themes and the challenges the Council could face after BREXIT in terms of supporting local businesses and the local economy.

The Committee supported the need to encourage and to retain employment opportunities in the District and requested more details from the Executive Member for Planning and Growth on the work being done by the Council in this regard both in the five towns and also more widely across the District.

Background Papers

None

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