

At the meeting of the Audit & Governance Committee held on Tuesday, 25 January 2022 the following business was transacted:

The proposed Budget for 2022/23 and the Medium Term Financial Plan 2022-27 were scrutinised by the Committee. It was noted that the proposals had been constructed around an increasingly challenging background of diminishing funding from Central Government which meant that the Council's cash resources has effectively been frozen for the forthcoming year.

Members sought clarity on the rationale for the proposed increase in RPZ charges and were assured by the Executive Member for Financial Sustainability that the figures presented were a true reflection of the costs, and that these had been challenged and examined. He stressed that the Council was only looking to cover its costs here.

There was also a discussion regarding the proposal to reduce the combined revenue and capital grants budget. It was noted the despite a reduction in grant funding provided to the Citizens Advice Service, the Council would continue to provide *ad hoc* grants to it and would also continue to support its bids for external funding.

The proposal to extend charging for Sunday parking (to be in line with the structure for Monday to Saturday) was also discussed. Some concern for businesses was expressed, in particular the hospitality sector which had been seriously affected by COVID, but there was acknowledgement that there was no reason to treat Sunday differently from the remainder of the week.

The proposal to transfer a number of playgrounds to Town or Parish Councils was also discussed. It was noted that the proposal sought to transfer six play areas initially, although this number could be increased over time. It was noted that members would need to agree the criteria for which play areas would be eligible for transfer and also how the transfer of liability would work.

After further discussion, the recommendations as proposed to the Committee, were approved.

The Committee reviewed the Q2 revenue & capital budget forecasts. It was noted that the net revenue budget for 2021/22 was £11.056m and was forecast to be overspent by £132k at the year-end. The principal overspends in Planning and Building Control (£123k); Operations (£129k); and Strategic Finance & Property (£140k), and underspends in Revenue & Benefits (£207k); and Shared Business & Technology (£37k) were noted. Over achievements in the housing benefit subsidy (£36k) and in interest & investment income (£50k) were also noted.

The Committee also noted that the revised capital budget for 2021/22 was £57.060m, with a forecast underspend of £15.825m, which would be carried forward to 2022/23. It was noted that the revised budget had been increased by £514k, being the agreed figure to fund the purchase of a new hostel, including the required conversion costs.

The position with regard to debtors was also considered. It was noted that the total outstanding debt as at 30 September 2021 was £3.499m, an increase of £1.116m over the quarter. It was reported that two large invoices totalling over £1m had been raised in late September, one of which had since been paid and the other was due to be paid shortly. It was also noted that a large long-term debt was currently with Legal Services who were pursuing the contractual dispute resolution route prior to potential court action for recovery.

It was noted that the level of outstanding debt over 120 days totalled £943k, a decrease of £831k over the quarter. It was reported that COVID had affected the level of aged debt and that officers were currently working with debtors to agree payment plans/deferrals.

The position with regard to the Council's reserves was discussed. It was noted that as part of the Provisional 2022/23 Local Government

Finance Settlement, the Council would receive what was believed to be a one-off New Homes Bonus payment in 2022/23. The Committee noted and agreed with the proposal that this amount should be transferred to the Council's reserves to help protect its financial position and also for use in implementing its transformation plans. Officers confirmed that the Council's reserves position continued to be monitored closely and that an update would be provided at the next meeting of the Committee.

A report from the Shared Internal Audit Service (SIAS) was received. The proposed reduction in internal audit days, which formed part of the 2022/23 Budget proposals, was discussed. The Shared Internal Audit Services Manger confirmed SIAS's view that this would not compromise the service provided to the Council.

The Council's Treasury Management Strategy Statement and Annual Investment Strategy together with the Capital Strategy and Minimum Revenue Provision Policy were revised and noted by the Committee.

The Committee's work programme was noted. It was agreed that training relating to 'Standards & the Code of Conduct' would look to be included at the November 2022 meeting.

Councillor Mark Pope
Chairman of Audit and Governance Committee