

FINANCIAL REVIEW MONTHLY UPDATE

Executive Summary

The Council has commissioned a full, independent and comprehensive review of all the assets and liabilities of the Council and all companies of which it has an interest as a component part of the Medium Term Financial Strategy and integrated service and financial planning.

This report sets out the timetable for the review and how the review will be taken forward following its completion at the end of December 2021.

Recommendations

The Committee is requested to:

RESOLVE That progress on commissioning the independent review of the Council's financial position be noted.

The Committee has the authority to determine the recommendation(s) set out above.

Background Papers: None.

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Date Published: 8 October 2021

1.0 Introduction

- 1.1 At its meeting on 29 July 2021 a motion moved by Councillor Barker and seconded by Councillor Aziz was debated and following a discussion Councillor Azad moved and Councillor Ashall seconded the following amendment which was approved:

“This council calls for a full, independent and comprehensive review of all the assets and liabilities of Woking Borough Council; and all companies in which it has an interest whether by means of shareholding (however large or small) or any other means of influencing the activities of said company. The report is to contain a comprehensive Statement identifying, amongst other things:

- An independent reviewer’s assessment of the current net realisable value of each of the assets
- Full details of all borrowings including their terms and conditions
- Full details of outstanding contractual obligations involving future income to be received and future expenditure to be incurred
- Details of any fixed or floating charges on any assets
- Full details of any grants, loans or other contracts which contain performance conditions which, if not met, would incur financial penalties for the Council or any of its companies. Council officers should work with the Chair of the Overview & Scrutiny Committee to appoint an appropriate independent reviewer

The reviewer must:

- Be allowed full and unfettered access to all the documents and information required
- Provide monthly progress reports to the Overview and Scrutiny Committee.
- Complete the review and the full report by the end of December 2021.”

- 1.2 The Council is an entrepreneurial and commercially orientated Council that has made significant commitment and investment into assets and activity within the borough in order to support:

- regeneration
- the supply of quality and affordable homes
- economic development and
- Council financial independency and resilience.

- 1.3 The Council prides itself on providing a comprehensive range of services for the benefit of the communities of Woking that are enabled and enhanced by its entrepreneurial and commercially orientated approach.

- 1.4 Aligned with our culture of adopting risk management as an integral component of good management and corporate governance and continually seeking new and improved ways of working and establishing sustainable and resilient approaches, the commissioned review will give the Council additional insight to:

- The extent that our interest in Companies aligns to supporting the priorities of the Council

- Opportunities and exposures arising from our long term assets and interests in Companies
 - Key strategic risks facing the Council
 - Market economy context and financing strategies related to key risks and opportunities
 - Short, medium and long term financial considerations
 - A comprehensive statement covering net realisable value of assets, borrowing, contractual obligations, fixed and floating charges, grants, loans or other contracts containing performance conditions
- 1.5 A tender process has been carried out with proposals required from potential suppliers by Friday 1 October. The contract for this work will be awarded following evaluation of these responses. An update will provided at the meeting.
- 1.6 The commencement of the work is scheduled to begin in the week commencing 11th October. The review will produce a final report by the end of December 2021 which will be incorporated into the Medium Term Financial Strategy and implications reported in the Budget report to Executive on 3rd February 2022. The Overview and Scrutiny Committee will consider the report at its meeting on 24th January 2022. Council will be required to approve the budget at their meeting on 10th February 2022.
- 1.7 An update on the progress of the financial review will be presented to the Overview and Scrutiny Committee on 22 November 2021.

2.0 Corporate Strategy

- 2.1 The financial review supports the Council's Corporate plan priority to ensure an innovative, proactive and effective Council by securing the effective use of resources.

3.0 Implications

Finance and Risk

- 3.1 The cost of the financial review will be confirmed at the meeting following evaluation of the proposals. The review has been commissioned via a procurement exercise in order to ensure a high quality report and value for money.

Equalities and Human Resources

- 3.2 There are no equalities or human resource implications arising from this report.

Legal

- 3.3 There are no legal implications arising from this report.

4.0 Engagement and Consultation

- 4.1 The Chair of the Overview and Scrutiny Committee will meet with the team on commencing the review.. The team will also need to engage with council and company officers to ensure a comprehensive understanding of the financial matters to be addressed by the review.
- 4.2 A series of community roadshow events are being established through November 2021, alongside an engagement questionnaire to get community feedback into the priorities for the Council and Communities. This engagement is part of the integrated service and financial planning in order to reflect this engagement in the medium term financial strategy and new Corporate Plan.

REPORT ENDS