

FINANCE TASK GROUP UPDATE

Executive Summary

The Finance Task Group met on 27 January 2022. Set out below is the report from the Chairman of the task group.

Matters Arising

The external audit of the 2019/20 accounts is still ongoing and there is still a fair amount to do including a discussion of strategic issues. An update will be given to the next Standards and Audit meeting in early March. The audit of the 2020/2021 accounts should commence shortly after the completion of the 2019/20 audit.

There is no significant change in respect of the recovery of commercial rents since the last meeting. These are still in line with forecast.

The analysis of long term loans to external organisations will be discussed at the next Task Group meeting in March.

Review of General Fund report, Investment Programme and Capital, Investment and Treasury Management Strategies

The Task Group was presented with draft versions of these papers and there were a number of key issues highlighted:

- It was noted that the Government Funding settlement was only for one year and is similar to last year
 - There may be possible changes to Minimum Revenue Provision rules which could impact Woking and also further changes to borrowing requirements in order to access Public Works Loan Board funding.
 - An increase in staffing costs for the next year was discussed as being due to the in-sourcing of housing management from New Vision Homes.
 - The borrowing in respect of Thameswey will be reviewed as part of the upcoming strategic review of the Thameswey Group
 - The proposed Covid provision for 2022/23 will be significantly than the previous year with £1.3m in respect of car parking income and £0.5m for irrecoverable commercial rents.
 - There was no update so far on car parking income over the Christmas period and the possible impact from the Omicron variant.
 - A significant increase in energy prices has been built into the budget as advised by Thameswey.

The Council Tax increase proposed as is 2% or £5 per annum for a Band D property. There is planned reduction in use of reserves from £8m to £4m for 2022/23 as compared to the prior year. The update of Investment Programme was discussed and in particular the proposed split between approved projects, pipeline projects and cancelled projects.

The Comprehensive Statement prepared by EY was discussed in the context of the above papers and following the January Overview and Scrutiny meeting. In particular the issue of cashflows for the operating companies was discussed.

Victoria Square update

The latest developments regarding this project were discussed and In light of the these changes the updated financial model will be presented at March meeting

Quarterly report of irrecoverable debt

The write-offs were noted and no issues raised.

Recommendations

The Committee is requested to:

RESOLVE that the report be noted.

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

Background Papers: None.

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