

FINANCE TASK GROUP UPDATE – 28 SEPTEMBER 2022

Executive Summary

The Finance Task Group at its meeting on 28th September covered the following topics.

Update on Statement of Accounts

The preparation of the latest set of annual accounts (for 2021-22) is still ongoing but good progress has been made.

However, the audits for the previous two years 2019-20 and 2020-21 are still outstanding. There are two main issues outstanding with the auditors: Assessment of Minimum Revenue Provision (MRP) and the consolidation of the group companies. Woking is not the only council where previous years' audits are still outstanding. But there is no definite date for the completion of these audits. It is hoped that the audit work on outstanding issues for 2019-20 will also be relevant for the subsequent years' audits and that the audit for 2020/21 will commence as soon as possible after these remaining issues are resolved.

Update on Investment Programme

The Task Group reviewed the current version approved in February. Key elements highlighted were the Sheerwater Regeneration included in the Housing Investment Programme and the funding required for Victoria Square and Poole Road energy centre. A draft version of the Investment Programme for the current year will be available in November. It is unlikely that there will be significant additions to the current programme given the council's current financial position.

Medium Term Financial Strategy Update

The version agreed in July by the Executive and Full Council was reviewed and the key assumptions highlighted. These included assuming that there is no change to the current level of government funding, the change in the base budget due to higher energy costs and other inflationary pressures and the additional income risks from lower car parking income and commercial rents. This has resulted in an additional savings target of £11m per year by 2025-26.

Since July there have been additional pressures on energy costs and inflation more generally but there might be some relief from recent government announcements on capping energy prices. The Council is preparing options for savings focusing on key expenditure items and how to reduce energy usage. There are also plans to look at how the Council can generate more income from its asset base and reviewing major contracts.

In respect of council borrowing, there is approximately £100m of short-term loans that will need to be renewed in the next 12 months and this is likely to be at significantly higher interest rates.

Feedback is still awaited from DLUHC (Department of Levelling Up, Housing and Communities) on their review of the Council's finances.

Financial and Performance Monitoring (Green Book)

There was a review of budget variances up to July, in particular car parking income and commercial rents.

Recommendations

The Committee is requested to:

RESOLVE That the report be noted

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

Background Papers: None.

Reporting Person: Councillor James Sanderson
Email: cllrJames.Sanderson@woking.gov.uk

Contact Person: Councillor James Sanderson
Email: cllrJames.Sanderson@woking.gov.uk

Portfolio Holder: Councillor Dale Roberts
Email: cllrDale.Roberts@woking.gov.uk

Shadow Portfolio Holder: Councillor Kevin Davis
Email: cllrKevin.Davis@woking.gov.uk

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