

## **FINANCE TASK GROUP UPDATE – 10 NOVEMBER 2022**

### **Executive Summary**

The Finance Task Group discussed the following matters.

#### ***Statement of Accounts***

There had not been much progress with the audit of the 2019/20 accounts. In particular delays caused by the further assurance being required for the Thamesway Group. The current status of the audit will be addressed by the Standards & Audit Committee.

Looking ahead, BDO have not retendered for the audit contract and Grant Thornton will be taking over the audit from 2023/24 onwards

#### ***Medium Term Financial Strategy update***

The Task Group revisited the update provided by the July report: the £11m budgetary gap, the lower expected income from car parking and commercial rents and taking out the margin on group companies loans. There was a savings exercise over the summer which identified savings of £5m but these have been offset by further cost pressures from higher energy costs and general inflation. This has put even greater pressure on the council's revenue reserves.

Both commercial rents and car parking income are broadly in line with the July forecast and therefore continue to be significantly below pre-pandemic levels. There are also interest rates pressures with significant short-term borrowing needing to be refinanced over the next 12 months (approximately £130m). These are likely to be borrowed on a short-term basis while long term rates remain high

The expectation for longer term rates included in the MTFS planning was reviewed. It is based on the assumption that rates would converge back towards the 2% inflation target that the Bank of England has.

#### ***Annual review of Fees and Charges***

The draft version of this report was reviewed and some significant increases were highlighted. It had been prepared in the context of the council's challenging financial situation with the intention to reduce the subsidy to provide non statutory services.

#### ***Other matters***

The quarterly report of irrecoverable debts was approved with no major issues highlighted.

No further update was provided regarding the Victoria Square development following recent briefings, it will be reviewed again at a future meeting.

**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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**Date Published:** 13 January 2023