

FINANCE WORKING GROUP – 5 JULY 2023

Executive Summary

At the start of the meeting, Councillor Tahir Aziz was elected Chairman and Councillor Adam Kirby was elected Vice-Chairman for the remainder of the Municipal Year. It was noted that the discussion held at the last meeting on 15 March 2023 had been superseded by the Section 114 Notice and the Government intervention through the appointment of Commissioners.

Brendan Arnold, Interim Director of Finance / Section 151 Officer took the Group through the PowerPoint slides from the Members Briefing held the previous day. Members were advised of the process for updating the Medium Term Financial Strategy (MTFS); the Budget Timetable; the current Business as Usual shortfall of £11m and the Deficit at £1.2bn; and the discussions taking place with DLUHC to explore its view on the financial support required by the Council, noting that the Council could not service its debt burden and therefore a write-off was needed. It had been agreed that the MTFS would be reported to Executive, Council and Overview and Scrutiny Committee once a quarter. There would also be a full day of work for the Overview and Scrutiny Committee to challenge the proposals and make recommendations thereon.

The Group was advised that at its meeting on 28 September, Council would receive a revised budget for 2023/24 taking into account a likely overspend in the current year and savings identified, the benefit of which would be received in full during 2024/25. A consultation and engagement process with local residents would commence on £4m of savings identified, leaving a further £4m to meet the overall requirement, of which some would not be achievable until 2025/26.

It was noted that 14 sound guiding principles had been agreed by the Executive to assist the Council take a coherent and structured approach to its recovery, and that the Investment Programme had been suspended on an indefinite basis due to being unaffordable. Only items in the Investment Programme would be approved which were funded externally, such as by the Government and supported by the Commissioners.

Members discussed the Neighbourhood Community Infrastructure Levy (CIL). Brendan emphasised that the Council would keep those existing agreements in force, however there was not a sufficient level of cash to support those commitments and so work would need to take place to consider how the ward priorities could be addressed in 2024/25 as the Council re-built its reserves. Members expressed concern that it had been thought the funds received from developers had been set aside and therefore ringfenced.

The Working Group also received the report 'Write-off of Irrecoverable Debt', which would be received by the Executive on a quarterly basis unless there were none, and the Work Programme for the year ahead that was amended to remove the Investment Programme due to its suspension. The items to be received at the next meeting of the Working Group were noted as:

- Medium Term Financial Strategy
- Revised 2023/24 Budget
- Draft Statement of Accounts (provisional)

It was agreed that the start time would be changed to 6pm for this meeting.

Finance Working Group Update

Councillor Kirby, as Vice-Chairman of the Overview and Scrutiny Committee, undertook to liaise with the Chairman, Cllr Brown, and Toby Nash to request that all Members of the Finance Working Group were invited to the all-day scrutiny event being arranged.

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:	1 September 2023