

FINANCE TASK GROUP UPDATE

Meeting held on 21 July 2021

Cllr James Sanderson was elected as Chairman and Cllr Kevin Davis as Vice Chairman of the Task Group for the remainder of the Municipal Year.

The Task Group covered the following items:

Statement of Accounts

The Statement of Accounts for 2020/21 was being prepared and due to be published by the end of July. There has been particular challenges this year with additional work on business grants and COVID related activities. The audit of the previous year's accounts (2019/20) has still not being completed by BDO and is due to be completed later this year. These delays were discussed by the Task Group and there has been follow up with BDO to emphasise the importance of completing both years' audits as soon as possible. Questions were also raised about the delays in the audits of the Thamesway Group companies.

Medium Term Financial Strategy

The Medium Term Financial Strategy, previously presented to the Executive, was reviewed by the Task Group. It was noted that there was no change to the forecasts since the previous version in March/April and therefore the cumulative shortfall over the next 4 years of £6m was still applicable. The Fit for the Future programme and the proposed savings were discussed including reviewing the investment programme, digitalisation of services and reference to the new Head of Transformation and Digital. A question was raised as to whether the Fit for the Future programme would include the subsidiary companies. It was also noted that the request to the Government regarding Exceptional Support was not successful. The review of the MTFs would be a regular item for the Task Group work programme.

Treasury Management

It was noted there is a significant amount of Council short term borrowing maturing in the autumn therefore it would be a question of extending these loans on a similar basis or switching to longer term borrowing. This would depend on the rates applicable at the time.

Victoria Square

The latest financial projections for the Victoria Square project were reviewed and it was noted that the financial model underpinning these projections is being updated and ideally will be available to review by the Task Group as its next meeting in September. The model was previously updated at the beginning of 2021. At this point, no major changes were noted in the projections from when the Council approved the increase in the total borrowing of this project to £700m earlier this year.

Commercial Rents

The situation for Commercial Rents was reviewed by the Task Group. It is noted that the majority of tenants are paying as contracted but there are ongoing follow ups with some tenants.

Other Matters

The write-offs of irrecoverable debts were reviewed and agreed. The latest Green Book was reviewed and the Council's Strategic Property Investments, the forecast out-turn and Midas House were highlighted.

Recommendation

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 J Sanderson
Email: cllrjames.sanderson@woking.gov.uk

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REPORT ENDS