

Meeting	Audit and Governance Committee
Date	9 March 2022
Present	Councillors Pavlovic (Chair), Fisher (Vice-Chair), Lomas, Wann, Webb and Carr

74. DECLARATIONS OF INTEREST

Members were asked to declare any personal interests not included on the Register of Interests, any prejudicial interests or any disclosable pecuniary interests which they may have in respect of business on the agenda. None were declared.

75. MINUTES

The Committee discussed the minute 72 Review of the Constitution from the 2 February 2022 Committee meeting. Members considered whether resolved decision i.c. clearly outlined the Committees desire to outline when the Committee would think it was appropriate for an Executive Member to sit on a Planning Committee. Following the decision by the Committee officers noted that Council would have 3 options to vote on in relation to Executive Members on Planning Committees and agreed to share the wording of each option with the Committee.

Resolved: That the minutes of the meeting held on 21 January 2022 and 2 February 2022 be approved and then signed by the Chair as a correct record.

76. PUBLIC PARTICIPATION

It was reported that there had been one registrations to speak at the meeting under the Council's Public Participation Scheme.

Andy Mendus stated that he felt that the Public Works Loans Board interest rates forecasts appeared to be lower than expected and asked whether these were influenced by national government and does the Council have to follow these predictions. He asked if the Council would increase its cash

balances considering the rise in interest rates. Finally he asked if the Council should borrow more to invest and whether treasury management policy was a officer or Member lead policy.

77. SCRUTINY OF THE TREASURY MANAGEMENT STRATEGY STATEMENT AND PRUDENTIAL INDICATORS

Officers introduced the report noting that the Treasury Management Strategy Statement and Prudential Indicators had been to the Executive and Full Council and was now with this Committee for its scrutiny. Officers confirmed that Council was legally unable to borrow to invest and therefore borrowing is undertaken when it is deemed to be required.

Members enquired about the interest rates forecasts noting that the Committee were being presented with two separate forecasts within the agenda papers. It was confirmed that officers would weigh up the different forecasts and take a position based on both. The Council's current and future levels of expected debt was raised and Members considered whether the Council could look to borrow early to avoid interest rate rises. Officers informed the Committee that there would be a cost of carry when taking on debt early and this would have a revenue impact that was not affordable within the current approved budgets. However, they confirmed the Council can borrow more if required. It was noted that the PWLB rates provided a certain level of certainty and that Government could intervene on the cost of borrowing if they thought it was required.

The Committee asked whether the Treasury Management Strategy was officer or Member driven and it was established that this was a joint process. Members also asked whether the Council had any investments or contracts with Russian companies considering the current war in Ukraine. It was confirmed the Council had no direct investments in Russian or Belarusian companies. Yortender the Council's procurement portal had Russian companies as registered members however, these companies would still need to bid for a Council contract. The North Yorkshire Pension Fund Members were told appeared to have no direct investment but the fund was still exploring about 0.1% of assets to see whether there were any links.

The Chair noted the desire of the Committee to have two independent Members of the Audit and Governance Committee and asked if anyone with a Accounting Qualification was interest to support the Committee in its audit work then please get in touch with the Council's Democratic Services democratic.services@york.gov.uk.

Resolved:

- i. Note the treasury management strategy statement and prudential indicators for 2022/23 to 2026/27 at annex A.

Reason: So that those responsible for scrutiny and governance arrangements are properly updated.

78. PROGRESS AGAINST THE ACTION PLAN

The Committee received an update on the progress against the Action Plan created in response to the Public Interest Report. Members requested that greater detail against each of the actions be included in future reports, they noted that a full log of actions would make it easier to review progress.

Resolved:

- i. Noted the update provided on the progress against the delivery of the Action Plan prepared in response to the Report in the Public Interest dated 19 April 2021.

Reason: The Audit & Governance Committee is required by Full Council to monitor the delivery of the Action Plan prepared in response to the Public Interest Report.

79. AUDIT & GOVERNANCE WORK PLAN

The Committee considered and noted the 2021-22 work plan.

Resolved:

- i. That the Committee work plan for 2021-22 be noted.

Reason: So that the committee has a planned programme of work in place.

80. AUDIT & GOVERNANCE DRAFT WORK PLAN 2022-23

The Committee considered the proposed work plan for 2022/23 currently without the finalised dates noting that these were still being finalised. Members highlighted the October 2022 meeting as potentially being challenging with the number of items pencilled in for that date. The Committee therefore requested that if possible September and November dates be identified for potential meetings.

Resolved:

- i. That if possible September and November dates be identified for potential meetings.

Reason: So that the committee has a planned programme of work in place for 2022/23.

Cllr Pavlovic, Chair

[The meeting started at 5.37 pm and finished at 6.50 pm].