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Meeting	Audit and Governance Committee
Date	28 January 2021
Present	Councillors Fisher (Vice-Chair, in the Chair), Daubeney, Lomas, Mason, Wann and Webb
Apologies	Councillor Pavlovic

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### **30. 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. No interests were declared.

### **31. Minutes**

In response to a question on Minute 22 (Mazars Audit Completion Report), officers confirmed that Mazars' enquiries in respect of severance pay were ongoing; they would report to the committee on 10 March if in a position to do so.

Resolved: That the minutes of the meetings held on 20 November 2020 and 30 November 2020 be approved as a correct record in each case, to be signed by the Chair at a later date.

### **32. Public Participation**

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

Andy Mendus spoke with reference to his comments at previous meetings, noting that his suggestions on absence management issues had not been taken up. He also commented on the Treasury Management Strategy Statement at Agenda Item 6, querying the capital expenditure forecasts and revenue streams.

### **33. Amendments to the Constitution by the Monitoring Officer since 23 March 2020**

Members considered a report which outlined amendments made by the Monitoring Officer to the Council's Constitution,

following Government Regulations issued in response to the Covid-19 pandemic.

The amendments comprised the addition of the Health Protection Regulations enacted on 2 December 2020 and 6 January 2021 to Section 3 of the Constitution, and consequent changes to Officer Schemes of Delegation where required.

Resolved: That the Monitoring Officer's amendments to the Council's Constitution be noted.

**34. Scrutiny of Treasury Management Mid year Review and Prudential Indicators 2020/21**

Members considered a report which invited them to note and scrutinise the Treasury Management Mid-year Review and Prudential Indicators report presented to Executive on 26 November 2020.

The report to Executive, as attached at Annex 1, provided an update on treasury management activity for the first 6 months of the 2020/21 financial year. Attention was drawn to the comparatively limited impact of Covid-19 on the treasury management function, which related mainly to the receipt of additional government funding at short notice and new responsibilities to pay out grants to businesses.

With reference to comments made under Public Participation, officers confirmed that the projections in the report were not intended as accurate forecasts, but to indicate the impact of current decisions on future years.

Resolved: That the Treasury Management Mid-Year Review and Prudential Indicators 2020/21 at Annex 1 to the report be noted.

Reason: In accordance with the requirement to update those responsible for scrutiny and governance arrangements on a regular basis and ensure that those implementing policies and executing transactions have properly fulfilled their responsibilities with regard to delegation and reporting.

### **35. Scrutiny of the Treasury Management Strategy Statement and Prudential Indicators for 2021/22 to 2025/26**

Members considered a report which invited them to note and comment on the treasury management strategy statement and prudential indicators for 2021/22 to 2025/26 before they were presented to Executive on 11 February.

The draft report to Executive was attached at Annex A; it was noted that some small changes were likely to be made to this before the final version was published.

Members had had the opportunity to clarify aspects of the report as part of a brief training session prior to the meeting. In response to Members' questions at the meeting, officers:

- Explained that the capital expenditure forecasts shown in this report differed from those in the mid-year review report due to slippage, with spend often being moved between years within the confines of the 5-year programme;
- Agreed that more rigour was needed in profiling budgets between years and confirmed that this was being addressed;
- Confirmed that Covid was affecting the ability to forecast cash flow, due to last-minute government decisions on grant payments, and investment returns were being affected by low bank rates;
- Confirmed that investments would not be made without consideration of the increased cost of financing borrowing as compared to the council's revenue stream; this was subject to regular monitoring;
- Confirmed that the cost of new council housing was covered by the HRA balance and not financed by borrowing.

**Resolved:** That the treasury management strategy statement and prudential indicators for 2021/22 to 2025/26 at Annex A to the report be noted, and Members' comments passed on to Executive.

**Reason:** To confirm that those responsible for scrutiny and governance arrangements have been properly updated and have fulfilled their responsibilities in scrutinising the strategy and policy.

### **36. Urgent Business - Work Plan**

Members considered a draft plan of reports expected to be presented to the committee up to April 2022.

This item was considered under Urgent Business having been omitted in error from the agenda and published subsequently in an Agenda Supplement. It would normally be a standing item on the agenda.

Members noted the changes made to the plan since it last came before the committee and

Resolved: That the work plan be approved.

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

Cllr T Fisher, Chair

[The meeting started at 5.30 pm and finished at 6.07 pm].