Draft Minutes of Finance Board
Thursday 16 February 2023

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9am Council Chambers/ Microsoft Teams

Attendees:

Commissioners:
Margaret Lee – *Finance Commissioner (chair)*
Max Caller – *Lead Commissioner*

Members:
Cllr Rob Anderson – *Cabinet Lead for Finance (deputy chair)*
Cllr James Swindlehurst - *Council Leader and Lead for Council Recovery, Forward Strategy & Economic*
Cllr Zaffar Ajaib - *Lead for Customer Services, Procurement & Performance (attended remotely)*

Officers:
Stephen Brown – *Chief Executive and Head of Paid Service*
Sarah Hayward – *Executive Director for Strategy and Improvement*
Marc Gadsby –*Executive Director of People, Adults*
Steven Mair – Executive Director Finance (*S.151 officer)*
Patrick Hayes – Executive *Director of Housing & Property*
Sue Butcher – *Executive Director of Children's Services*
Richard West – *Executive Director of Customer and Community*
Steve Muldoon – *Head of Financial Management*

Secretariat:
Nasreen Brittain – *Executive Assistant to the Commissioners*
Claire Willerton – *Chief of Staff to the Commissioners*

Apologies:
Gavin Jones – *Commissioner,* Cllr Dexter Smith – *Conservative Group Leader*

Guests not present:
Clare Priest – *Central Contracts Register Project Lead*
Paul Moffat – *DfE Commissioner*

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Meeting Minutes:

1. **Welcome and declaration of interests *(Margaret Lee)***
   1.1 Margaret Lee welcomed attendees. No interests were declared.
2. **Minutes and actions of the Previous Meeting *(Margaret Lee)***
   2.1 Max pointed out that on the risk register point 8.4 there was no action. There was concern that SCF were not closing their leavers accounts or collecting equipment. This posed a cyber risk and Max wanted that to be made an action. Margaret commented that the audit had been done with the actions on it, so finance needed to examine it and bring it back to next meeting.

   Action: Finance team

   2.2 Action log reviewed and updated.
3. **Budget: 23/24 overview and current year update *(Cllr Rob Anderson/Steve Mair)***
   3.1 Capital programme: £219m previously. This year we have it down to £202m, won't require any additional new borrowing. Could fully fund it from grants and section 106 contributions/capital receipts from the asset disposals.

   3.2 Financial summary showed year by year figures and included £18m of capital receipts which would fund the capital programme rather than relying on further borrowing.

   3.3 The crucial element was still the asset disposal programme. Small amount of loan repayment received. £216m would be achieved this financial year, and a further £200m in the following year.

   3.4 Max asked if there had been a risk appraisal. Concern was if there were an overspend, the Council would be at risk. At high level there ought to be an appropriate assessment in the risk register.

   3.5 Steven Mair reported colleagues were working with members to look at capital deliverability and he would ensure it was formally put into the risk register going forward.

   3.6 Margaret wanted to see transparent reporting and monitoring from early on, so that checks could be made before issues become too large, particularly on schemes that had grants.

   3.7 Current plans to deliver £200m in 2023/24 needed to be very clearly included in the budget. £18m to date was being delivered through capital receipts. It was important to watch delivery of £204m very carefully.

   3.8 **Treasury management**: there was a much-improved financial position. Borrowing was being repaid ahead of schedule and capitalization direction would be fully financed three years ahead of schedule. Forecast of £210m over the next two years. Previous years' accounts had dug out a further £40m of capital receipts. Capitalization direction been reduced to a more controllable envelope. Improved understanding of the Council's liabilities. Asset disposal strategy ahead of schedule.

   3.9 **Borrowing**: slide 10 of financial update pack. On track to repay £204m of temporary, high-risk borrowing. The remainder of temporary borrowing to be repaid by September 2023. Fixed borrowing had increased slightly. Next year's goal was to remove all temporary borrowing completely, £133m of which could be removed halfway through this financial year. On target to bring overall borrowing back to a sustainable level. There was then potential to invest into the pension fund deficit with a one-off lump sum. Potential to pay off pension fund deficit in 2023/24 – potentially yielding £5m annual revenue budget saving.

3.10 **HRA**: medium term plan on slide 12 of Financial Update showed a surplus for the year.

3.11 **Key assumptions**:

a) SBC owned and managed c7,600 properties, of which there are 6,035 HRA social and affordable rented properties
b) No new acquisition or new build assumption made in this business plan
c) The HRA was expected to report surpluses across the five-year, medium-term period
d) Social Rent: 7% increase in 2023/24, re-let at 5% of formula rent
e) Service Charge Income: matched to 7% increase for social rent
f) Non-dwelling rent was mainly garage rents, shops, and ground rent
g) Energy cost was assumed to rise by c£0.9m in 2023/24 and expected to reduce to normal price level over the following 3 years
h) Debt Management: maturing debt refinanced throughout the Plan
i) HRA minimum general reserve: £4m was assumed, i.e., circa 10% of gross rent

3.12 **Business risks**:

a) **Net Zero/ Decarbonization:** - £5.6m provision in the plan would be sufficient to properly decarbonize council housing stock which was estimated at £15-20k for each of the c6,000 homes. The impact could be mitigated by aiming for a lower standard of the EPC 'C' rating
b) **Damp and Mould:** risk of fines and funding being withdrawn by not meeting the standard set by Government. A survey to be commissioned to understand the extent of impact which was assumed to be of 10% of stock or 700 units, at a cost of £800/unit - £560k had been provided in the plan but excluded major structural works.
c) **Interest on retained 1-41- RTB income**: a proportion of right to buy income not passed on to the Government could be retained for the development of new housing. The plan did not assume any new developments and so the income would be repayable after five years with compound interest at 7.5% - £0.9m in 26/27 and £2m in 27/28. To avoid the interest charge, the Council could either repay the receipts early of find a local RSL partner who could use the funds – officers were working on the latter.
d) **Government rent policy**: to the extent that Government limits authorities' ability to lift rents to less than inflation, this would impact the finances of the HRA. Many contractors were applying RPI.
e) **Welfare and Benefit Reform:** universal credit allowed benefits to be paid to tenants rather than directly to the landlord, leading to an increased risk on collection of rents. The bad debt provision had been increased to £1.5m in 2023/24.

3.13 **DSG**: In May 2021 the DSG was heading for a cumulative £40m plus overspend by 2026/27. Overspending by £7m per annum in 2020/21. This had been out of control with no management action being taken.

3.13.1 Query from Margaret on whether the Council had a date from DfE as to when this would be advised. Cllr Anderson confirmed that no date had been given yet. Needed to ensure the £27m was received as well. Cllr Swindlehurst reported that Adele Taylor, the incoming S.151 Officer, had been briefed on this. Margaret reflected that the real success on this piece had been joint collaboration between Finance and Slough Children First teams who had worked very successfully together, and the learning had been very good.

3.14 **Current DSG position:** there would be no in-year overspends due to the Council having instigated a major cost reduction programme. Participated int eh DfE Safety Valve programme and formally submitted its plan to DfE which if successful, would see the historic deficit of £27m financed by the DfE. Dependencies of this were regular reporting to DfE, staged payments to the Council i.e., the funding of the £27m was phased and if the DSG did not stay in balance in year the staged payments would stop. The Council was also advising other LAs on their DSG/Safety Valve programme.

3.15 **Revenue Budget**: the final settlement across the core grants remained broadly unchanged, £0.048m increase on one. Public Health grant still to be announced. Main announcement was confirmation of ability to increase council tax by 9.99% (+5%) in 2023/24 only. Benefit reduced by an increase to the CTRS. £2m net improvement used to reduce savings by £0.4m each year for 5 years 24/25 – 28/29. Helps to reduce the CD total by £5m to £357m.

3.15.1 **Savings**: total general funds savings for 23-24 of 22.422m. Future level of savings had not quite been achieved. Growth could not be managed.

3.15.2 **Contingency against pressures and other issues**: £3m of ongoing contingency in the budget with another one-off £3m in case of non-delivery, which needed to be avoided at all costs. Ongoing (£6m): TA, SCF, rent on assets sold. One-off (£15m): local plan, CCTV, contact centre, redundancy, cyclical laptop refresh. Residual contingency was limited and should be protected for unforeseen issues arising. Transformation of Council would include redundancies. Contingency was relatively small for a council this size.

3.15.2.1 Leader – reflected that cost of living was impacting on staff and salaries within SBC and public sector pay was a national issue.

3.16 **Key risks and caveats**: achievement of the budget was dependent on budget ownership by all service areas, sticking to committed savings, implementing changes on time, finding alternatives for any shortfalls, negotiating with suppliers to minimize inflation impact, full implementation of fees and charges increases and collaborative, not siloed thinking on decisions.

3.17 **Key mitigations**: conservatively estimated asset sales prices taking account of known pressure.

3.18 **Timetable: key dates over the coming weeks:**

- 16 February – Finance Board – review of savings
- 17 February – Papers go public
- 23 February – IRB - review of savings
- 23 February – Final scrutiny on budget 23/24
- 27 February – Cabinet
- 9 March – Council
- 1 April – New fees to go live, savings to start delivering in full

3.19 **2024/25 Savings Progress:** revised target of £12.9m per CD modelling. Over half the target had been potentially identified including full year effect of savings proposed in 23/24 = £1.75m, further fees and charges at a lower % = est. £0.25m, pension deficit, if asset sales proceeds achieved, could generate a £5m budget saving. Total therefore of £7m of £12.9m target.

3.20 **Proposed timetable for 2024/25 and beyond:** revised target of £12.9m per CD modelling, £7m already potentially available, therefore need £5.9m – 23/24, £22.4m. The plan was to identify £5.9m by mid-May 23. Get it agreed by end of May 2023, and scrutinize it in June 2023. This would leave 24/25 largely complete by June 2023.

3.21 **Capitalization Direction:** model based on no further increases in Council Tax. Savings number reduced to £12.9m from potentially £20m. Nearly £10m was to cover salaries and contract inflation. Finances in balance by 2028/29 if all savings are achieved. The CD was repaid through asset sales, the government had not given the council any extra money. The message was if we could deliver on this budget we have the potential to get to that window in the summer, which was what would SBC look like in 2028/29 and how we get there.

3.21.1 Max asked regarding total pay package and whether it was right that the Council was going to set a cash limit for all of this to be financed by directorates? Same point on contracts. Rob Anderson responded that it could be more than the numbers listed in some areas but 4.8% was the limit within the envelope and was affordable. This would be a challenge for people. Same for contracts, as some would have inflation built in them. Some contracts would not increase at all. Rob acknowledged this was what the Council could afford and if departments wanted to do more, they would have to find creative ways to fund that. Max responded that something needed to be communicated to every budget holder within the Council, so this message was clear.

3.21.2 Leader reflected that now there was a full team of Directors who were being asked to review their areas and remove the temporary positions and fill them with permanent staff.

3.21.3 Cllr Ajaib reported that contract management and procurement had been strengthened and the Council was looking for what it needed and asking people to think about inflation. Margaret urged anyone who had to negotiate new contracts to ensure they used those members of staff who were experienced enough to deal with it and get advice from the procurement teams to ensure proper contract renewal terms were agreed and secured.

3.21.4 Margaret reflected inflation was a huge issue for all Councils and until we see a negative inflation figure, it would continue to be an issue for quite some time. The budget, therefore, worked on paper, but did need everyone to understand the savings contained within it and manage their budgets very closely. It was extremely important that any issues/flags were raised and dealt with right at the beginning, so they did not become bigger issues. Savings progress was good, and this was formally acknowledged. The fear, however, was unless there was a clear strategy on how services would be changed and transformed, the Council would be resorting to salami slicing which would ultimately lead to failure. The transformation programme needed to be very visible going forwards. Lastly, it was good that the Council and Commissioners took the time to acknowledge the wonderful work that had been done by them. Their work had been tremendous and had moved the Council on wonderfully.

4. Review of Finance and Commercial and Review of Strategy and Transformation (Steve Mair & Sarah Hayward)

4.1 A deep dive into finance and commercial showed the Directorate had a net budget of £8.787m and had set a savings target of just £1.051m. The Directorate was proposing £7.506m of savings towards the Council's overall target for 2023/24 for review by the Scrutiny Committee.

4.2 Key risks and mitigations currently facing the Directorate:

- Grossly inadequate records and professional standards in the production of previous years' (2018/19, 19/20, 21/22 (part)) accounts and budgets
- Inadequate reserves
- Very poor professional standards
- Inadequate finance service structure
- Inadequate design and operation of the systems
- Grossly inadequate initial capitalization direction for 21/22 budget
- Effects and impact of S114
- Excessive borrowing
- No management action on the DSG
- No management response to internal audit recommendations

4.3 Key risks and mitigations that Directorate would face in the future, in addition to the ones that it currently faces:

- Asset sales maintaining the estimated prices
- Local government financial settlements
- Cot pressures due to interest rates, energy costs etc.
- Attracting skilled personnel on permanent contracts

- Transitioning from current interim staffed service to permanent staff with minimum disruption

4.4 The key mitigations able to be utilized by the Directorate:

- Appointment of highly skilled interim senior team of accountants and revenues and benefits leadership
- Proper planning and prioritisation
- Clear focus and leadership
- Revised approved structure
- Financial strategy agreed and coming to fruition; asset sales over budget, leading to early payment of borrowings, reduced debt and MRP. Revenue budget savings planned in excess of original plans and accounts being completed. Combination of all three means reduction in the CD and annual revenue savings required
- DSG reviewed and in balance plan with DfE for approval, possible write-off of £27m historic DSG debt

4.5 Service Area Budget:

- Commercial £0.823m
- Finance £3.914m
- Financial Governance £1.875m
- Revenues and Benefits £2.176m
- **Total Budget: £8.787m**

4.6 Budget savings:

4.6.1 Minimum Revenue Provision £3.500m

- Preparation of the 2018/19 and 2019/20 accounts had identified c£40m of capital receipts which have been applied to pay off the Capital Financing Requirement o/s on short-life assets, which had reduced MRP.
- This plus the accelerated capital receipts from the Asset Disposal programme means that the MRP reduction was secure, and the Council could pay off the pension deficit, which if achieved in 2023/24 would secure a further one-off £5.0m benefit plus the ongoing revenue saving from 2024/25. Finance team to ensure the accounts reflected the revised capital financing as part of the closedown.

Action: Finance team

4.7 Delivery Plans:

4.7.1 Fees and Charges £0.900m

- Approved by Cabinet and Licensing Committee
- Directorates now required to implement the fee changes with effect 1/4/23
- This had been communicated to all EDs and Ads
- No exceptions have been advised in respect of corrections to the charges or changes in date of implementation
- Overall income from fees and charges would need to be monitored during 23/24 to determine whether any risk was arising from a fall in volume in activity If this were to happen, EDs would need to know early if they need to take

mitigating action.

4.7.2 Budgeted Overheads Cleanse £0.788m

- The accounts have been identified from where the savings would be taken, there was no exception of ongoing spend in 23/24.
- Action required was to code the saving and hence reduce the budget so that it's no longer available to spend.

4.7.3 Vacancy Factor £0.399m

- This reflected a c.4% saving against the staffing budget for Finance and Commercial for 2023/24
- As and when staff resign and leave, it was expected there would be a period of a saving being made. This was not however, about holding existing vacancies as the Service had recently gone through a restructure
- No action required as such, the staffing budget would be managed on a net basis and tracked to determine whether the department was on track to spend within budget.

4.7.4 Staffing Reduction £0.012m

- A member of the Counter Fraud team had reduced their hours to 30 per week from 01.04.23, no further action required and no risk to delivery

4.7.5 Reduced Audit Fee, reduced duplicate payments and income £0.400m

- Reduced audit fee was assumed on the basis that new processes have been embedded and the new finance team with increased capacity would be able to produce excellent accounts in 2023/24
- Duplicate payments software and improved process in the accounts payable team would identify and enable recovery of duplicate payments made
- Accounts delivery depends on successful recruitment to finance team and continued focus on accounts delivery
- Duplicate payments assumes the current level of error rate.

4.7.6 Support Services £0.235m

- Efficiency savings from merging support services functions with Slough Children's First
- Merger pending Cabinet agreement to the proposal on 27 February 2022 and the SCF Board
- Savings would require agreement on the specification of support functions with the SCF Board, consultation with staff, TUPE transfer of circa 30 FTE SCF support staff to the Council in April 2023
- Successful project management. If the project slips, elements of the 2023/24 savings could be covered from unfilled vacancies in Finance and Commercial that would be held pending the merger of teams.

4.7.7 Increased Tax Base: Council Tax

- Single Person Discount (SDP) Monitoring and other initiatives being looked at with view to implementation
- SDP provided to households with only one adult residing
- Evidence to suggest that some residents would apply for this discount despite not being eligible

- Currently 14,300 households in receipt of this discount equating to just under 55,000 or 25.5%
- Implementing a robust and effective process to prevent fraudulent claims for SDP. By doing this income to the Council and other preceptors would be maximized. Work done so far had yielded a removal in discounts applicable of between 4-5%. Figures to date suggest a saving of £500k dating back two years based on 660 cancellations using Band C as an average where CT is £1,514, SDP value £388.50. Therefore, the saving being £0.250 in additional Council Tax income backdated for two years
- Cancellations would also be backdated to when circumstances changed so, the likelihood was that this amount would be higher still.

4.7.8 Other discounts and exemptions include:

- Students, annexes, discount disregards and unoccupied properties. Other similar reviews of these had led to removal of around 5%. Using an average 50% of a Council Tax Band C, a figure of £757.00 was achieved, that equates to £0.100m. Work on this had also begun.

4.7.9 Efficient working practices in Revenues and Benefits £0.0440m:

- The Service was implementing several new initiatives to improve working practices which would significantly reduce the amount of overtime, reliance on agency staff, the need to recruit vacant posts, improve efficiency through automation, increase collection through texts and emails and implement a simpler and easier Council Tax Reduction Scheme. Good progress was being. Overtime had been halved already in the period January to March and this would continue into 2023/24 producing a saving of £0.200m.
- Two vacant posts have already been identified for removal from the structure producing a saving of £0.090m. a further two vacant posts covered by Agency resources have been identified for removal from 1 April 2023 producing a further £0.090m following the automation on high volume, low value processing in the Benefits Teams and following the implementation of the new Council Tax Reduction Scheme.
- A further two vacant posts covered by Agency resources would be removed from the structure from September 2023 providing the remainder of the saving in the area.
  - Cllr Ajaib Zaffar reflected the need to have more automated processes and move away from manual ones. Collection rates of CT were improving.
  - Max wanted to ensure that Adele knew she was the ‘owner’ of the items against her name. Cllr Swindlehurst confirmed that she had been briefed about the budget. Regarding the audit fee, what confidence was there that this would reduce given there was a lot more reporting to be done which would incur fees. Max felt there would be significant involvement of the auditors for the next year or so where audit fees would remain high. Margaret also concerned about what government would say regarding external audit and might bring about a new law regarding external audit responsibilities which the authorities would be required to pay for. Steve Mair confirmed the audit fees were incorporated in the accounts and should be deliverable in five years’ time. 2023/24 should have a better picture as

those are Steve Mair and his team's accounts.

- Max observed that when things were pushed too hard, a Council risked reducing the electoral register as people feared that they would be penalized when it came to Council Tax. Leader reported that reminders to residents to confirm their single occupancy status had not been done for two years and that needed to be addressed going forwards. Cllr Rob Anderson reported that a few years ago there had been a mailout to residents and revenue had increased then as a result. Max wanted SBC to be absolutely confident that during the intervention period it would succeed. Steve Mair responded it should only be for one year and would ensure it was more robustly.
- Margaret expressed concern about the reduction in the fraud team. She felt that fraud increased during times of austerity and cost of living crises. Steve Mair reflected the team was 5-strong, so there was only a marginal reduction overall and while it was challenging; it was a good opportunity to improve it. Margaret advised looking more into the performance going forward.
- Steve Mair to bring forward fees and charges to next week's IRB and produce an analysis of where the savings for each one would be.

Action: Steven Mair

4.7.10 Review of Strategy and Transformation:

a) The Services in this portfolio include Human Resources, Customer Services, IT, Procurement, Revenues and Benefits and elements of the transformation and strategy services
b) Cllr Ajaib reported each of these services required improvement to ensure they were fit for purpose to support a modern and efficient Council that lived within its means. These improvement plans were at different stages.
c) Despite the need for improvement there was still the opportunity to drive savings – these had largely been delivered through identifying vacant posts to be deleted and not renewing contracts for services e.g., in IT
d) The challenge going forward next year would be driving efficiency and improved services that would deliver future savings. There were no savings in the procurement service identified for 23/24, all other services have savings plans
e) HR needed a lot of transformation and improvement. A plan was to be put in place to resolve this. It was under resourced and under delivering. Paper on this would be brought forward
f) Digital and information was delivering £0.505m through rationalisation, renegotiation, and re-procurement of a number of its contracts for supplies and services. A significant proportion of this was already delivered and the service was reporting 100 per cent confidence of the delivery of the remainder.
g) £0.265m was apportioned to central services in Strategy & Improvement through joining the back offices of SBC & SCF. The staff would be subject to TUPE transfer and then services would be reorganised into modern and efficient services. The savings proposed represented around 6 per cent of the total spend on these services and LGA informed data showed that these services were significantly above average costs for unitary authorities. Contract management had been poor up to now

h) There were risks in some of the digital and information technology savings as well risks to the back office merger savings as the TUPE process was yet to start. Other savings have been delivered
i) All associated Directors in Strategy and Improvement have been asked to identify a doubling in their savings. Taking these would involve some unpalatable choices, particularly if they had to be taken ahead of embedded improvement, but further budget reductions could be made should there need to be any back-fill to any delayed or undeliverable savings
j) Regarding a further £1m of savings, Margaret wanted to know how this number had been reached as the savings could not be seen from the slides. Sarah Hayward reported that the number had been reached by deleting vacant posts, Directors had been asked to do a doubling exercise as well, there were another £1m of savings in mitigation which would be deliverable. Cllr Swindlehurst commented there was also a plan B if plan A didn't work.

4.7.11 Delivery Plans, Risks and Mitigations:

a) The service elements of the leader's portfolio include communications, strategy, and overall responsibility for recovery
b) These services are essential to delivery of the council's recovery and are undergoing their own improvement while having significant delivery demands. They are contributing to the overall budget reductions by reducing activity and deleting vacant posts. There are resilience challenges as they are small teams with multiple single points of failure, these issues would be addressed over the coming year as the structures and staffing of key corporate services were reviewed and made fit for purpose. The budget reductions in these services are delivered through the deletion of vacant posts, not renewing contracts, and ceasing activity e.g. no longer funding fireworks. There were no delivery risks as savings had already been delivered. The services themselves needed review and improvement to make them fit for purpose
c) Mitigations are that all teams in the Strategy and Improvement directorate have delivered their savings, but have still been asked to identify additional savings, both in preparation for next year's (24/25) budget, but also to manage any unforeseen issues in the coming year
d) Portfolio savings: have ceased to run certain events and would also remove them from budget lines. Moving to a more digital platform for services, which would scrap the £20k currently spent on printing materials
e) Margaret reflected that as the Council moved forward into transformation, it was vital that good HR and IT were in place. She wanted to know what dialogue took place when making savings in each of the areas. What was the overall approach? Cllr Swindlehurst responded that a lot of business support had been moved into HR. A review of HR had already started as well. Margaret felt the need to push on with the service reform was key and in order to make the changes in HR additional resource was needed to design the programme and this was the concern. Sarah Hayward provided a guarantee that for this year at least, there was no reduction in service. HR were overstaffed compared to other areas in the Council. Margaret pointed out that any improvement plan needed to involve the whole organisation. Practice in the rest of the organisation was poor. Recruiting officers were not good at reviewing posts and skills required for new posts, which needed to change. Would need resource upfront in order to deliver the saving and

transformation and then any reduction in costs would come later in the year. Margaret also wanted to know how the Council was going to pay for the improvement and transformation. Where was the money for this type of request? Steve Mair believed it was part of the very small contingency that was referred to earlier in the meeting by Cllr Rob Anderson. Max felt this session had been a very useful process and Margaret thanked everyone for their efforts.

5 Corporate Risk Register Update (Steven Mair)

5.1. Regular reporting done at CLT. There had been engagement with colleagues and there were changes to the risk register

5.2. Recruitment to the Risk and Insurance Team: Tariq Mansour, the new Head of Financial Governance, Internal Audit, Counter Fraud, Risk, and Insurance, would be attending the Finance Board in March. Naren Lathigra will continue as interim Risk and Insurance Manager. Steven Lee would join the team soon as Risk and Insurance Officer. The team would be reviewing current arrangements and work with key stakeholders to move the risk management arrangements forward in line with the plans outlined in the risk management strategy

5.3. Risk 4: Margaret commented that in the 'impact of cost-of-living crisis on Slough residents' there was nothing to show the risk of the impact on the Council and its services during the cost-of-living crisis and wanted to have that included. Steve Mair would include this in the next risk register for the March Finance Board.

Action: Steven Mair

6 AOB

6.1 Audit of the accounts 18/19 would go to Audit Committee next week. Steve Mair reported that these accounts would be going public tonight and then to cabinet. There were a number of issues with them, however. There were five versions produced to May 2021. A huge number of changes were required to be made. Are now assured of the balance sheet. INE – bottom line gives confidence, but the lines in between do not. Grant Thornton could issue one of three negative opinions. They have issued a 'disclaimer opinion'. Proper journals were not done correctly.

6.2 Finally, the Council must accept these accounts as must the S.151 to say they are *'true and fair'* however, Steve Mair would not be signing to say that, instead he would sign a statement to say, *'to the best of his knowledge the accounts were correct'*. The magnitude of changes that had to be made were extreme. Margaret felt this could attract attention from the public, from DLUHC and accounting bodies as well as external audit bodies. She also pointed out that until the Council got to the accounts for 2021/22, the accounts would be affected by the historical ones. Stephen Brown echoed there was a lot of public interest in these accounts. Max believed this would also be of national interest as it was an unprecedented situation for a Council and questions would be asked as to how this could have happened. Max felt the problem was for the whole sector and for devolvement from central government. Margaret reported that she would be going to the accounting body to discuss the former S.151 Officer who was responsible at the time. Margaret and Stephen to discuss this offline.

Meeting ended 11.15am.