

## **AUDIT & CORPORATE GOVERNANCE SCRUTINY COMMITTEE**

### **MINUTES OF MEETING HELD ON WEDNESDAY, 18 JANUARY 2023**

#### **Present:**

Councillor Martin E Thacker MBE JP (Chair) (in the Chair)

Councillor William Armitage  
Councillor Pat Kerry  
Councillor Paul Parkin

Councillor Nigel Barker  
Councillor Gerry Morley  
Councillor Ross Shipman

#### **Also Present:**

M Broughton      Director of Growth and Assets  
J Dethick        Director of Finance and Resources & (Section 151 Officer)  
D Johnson        Assistant Director - Property, Estates and Assets  
T Scott          Governance and Scrutiny Officer  
N Clark          Rykneld Homes Director of Property Services and Development  
M Surridge      Mazars

#### **AUD Apologies for Absence**

**53/2**

**2-23** An apology for absence was received from Councillor K Tait.

#### **AUD Declarations of Interest**

**54/2**

**2-23** Members were requested to declare the existence and nature of any disclosable pecuniary interest and/or other interest, not already on their register of interest, in any item on the agenda and withdraw from the meeting at the appropriate time.

No Declarations of Interest were received for the meeting.

#### **AUD Minutes of Last Meeting**

**55/2**

**2-23** RESOLVED – That the Minutes of the Audit & Corporate Governance Scrutiny Committee held on 9 November 2022 be approved as a correct record and signed by the Chair.

#### **AUD Verbal Update of the External Auditors - Mazars**

**56/2**

**2-23** Members were presented with a verbal update of the Council's External Auditor (Mazars) which outlined updates made in light of the Audit Completion Report that was presented to the Committee on 9 November 2022. Members were informed that a letter from Mazars would be circulated to the Committee in the following days, which would detail the updates/conclusions and include a recommendation to the Council.

Members discussed the recommendation to be included in the letter and sought more information on what it would specify. The External Auditor explained that it

would recommend revaluing investment properties on an annual basis, and reviewing the work provided by the valuers upon receipt of valuation reports.

RESOLVED – That the Committee noted the verbal update from the Council's external auditors Mazars.

**AUD** **Car Parking Update**

**57/2**

**2-23**

Members were presented with an update on the Council's Car Parking sites as of 17 January 2023. A document was circulated to Members which included updated detail of each site in the Car Parking Strategy.

Members were informed that Cabinet had identified the sites that engineers would begin work on.

The Director of Property Services & Development (Rykneld Homes) explained that Rykneld had previously provided the formal lead on the Car Parking Strategy, but they were now consultees instead.

Members felt that the site list should include details on which areas were highest priority, and the reasons for them being higher priority. The Director of Property Services & Development (Rykneld Homes) explained that when Rykneld led the Strategy, Cabinet agreed trial areas to concentrate on, and Rykneld produced a site list based on issues they had been told by Members and the public.

Members were concerned that Adlington Avenue in Wingerworth had been included in the circulated document as a trial site without public consultation. The Committee were informed by the Assistant Director - Property, Estates and Assets that because the Adlington Trial was progressed following a Cabinet decision, some form of consultation would have been carried out, and the Assistant Director would review the report to clarify the consultation and circulate this to Members.

Members discussed Adlington Avenue further and were concerned that despite the original Strategy document stating it would protect the grass on the site, they believed this was not the case. They were informed that more re-seeding was scheduled to take place on the site.

The Chair felt that the Committee should continue to receive updates on the Car Parking Strategy, because with the issues raised, Members should have an opportunity to monitor its progress.

Members enquired what the available budget was for the Car Parking Strategy. The Director of Finance and Resources explained there was an annual pot from the Housing Revenue Account of £288,000 allocated to the Strategy.

RESOLVED – That the Committee noted the update.

**AUD** **Medium Term Financial Plan 2023/24 - 2026/27**

**58/2**

**2-23**

The Director of Finance and Resources presented a report which enabled the Committee to consider the Medium Term Financial Plan 2022/23 to 2026/27 prior

to the report being taken to Cabinet and Council.

A presentation was delivered to Members which outlined the following areas of the Plan:

- National settlement
- Assumptions
- Budget and forecast
- Budget position
- Funding reforms
- Council Tax
- Housing Revenue Account
- Rents
- Capital Investment Programme

The Chair stated that a previous resolution by the Committee had been for Cabinet to identify ways to meet the budget shortfall. The Director of Finance and Resources explained that Cabinet had been guided with methods to meet it.

Members believed that a method to save money that would be worth investigating would be energy costs. The Director of Finance and Resources explained that officers already tracked energy costs, so this would be included in future quarterly Budget Monitoring reports to the Committee. The Chair agreed and also requested that 'Efficiencies' be added to the quarterly reports as well.

Members discussed the recent stepping down from Cabinet of the Portfolio Holder for Finance, and they felt it was inappropriate for Cabinet to not have appointed a replacement during a difficult economic time for the public. The Director of Finance and Resources assured Members that Councillor J Kenyon (Portfolio Holder for Leisure, Transformation and Climate Change) was acting as Cabinet lead on Finance.

The Chair wished to declare an interest in the HRA part of the Plan as a member of the Rykneld Homes Board of Directors, but would remain in the meeting and participate in the discussion and determination on the item.

Members referred to the increases in rent in the Plan and felt that the Council should not be asking for tenants to pay more rent in the midst of a cost of living crisis. The Director of Finance and Resources explained that the budget was set based on affordability and prudence.

Members referred to the projected income for the first year of the new Sharley Park leisure centre, and felt the forecast was too optimistic. The Director of Finance and Resources explained that the forecast included a large year-on-year increase because the centre would open at the end of a financial quarter. Members were also informed that Sharley Park centre was expected to generate more income than other leisure centres because of its size.

Members referred to the figures for Killamarsh Active leisure centre and were concerned that expenditure for the centre was increasing, bearing in mind officers had stated that expenditure for it would decrease year-on-year following its refurbishment. The Director of Finance and Resources explained that a year-on-

year decrease had been the intention, but various factors had led to its costs increasing such as a subsidy being removed, increased energy costs and an increased Pay Award.

Members referred to a report that was presented to Council which included the cost of senior officers, and felt it did not account for pension costs. The Director of Finance and Resources explained that all reports presented to Council were fully costed.

Members referred to the cost of Planning Appeals in the General Fund being nothing and were concerned this meant it was being overlooked. The Director of Finance and Resources explained that Planning Appeals was not budgeted for in the General Fund, and instead Earmarked Reserves were utilised. Members were also informed that the exact amount of budget for Planning Appeals was difficult to predict, since they often varied widely in cost.

Members enquired if leasing the café out at Sharley Park leisure centre was an option to increase its income. The Director of Finance and Resources agreed to raise this with the Assistant Director for Leisure.

RESOLVED – That the Committee noted the report.

**AUD** **Treasury Management Strategies 2023/24 - 2026/27**

**59/2**

**2-23**

The Director of Finance and Resources presented a report which enabled the Committee to consider the treasury strategies prior to them being taken to Council for approval.

Members were informed that the strategies included the Flexible Use of Capital Receipts Strategy, which involved using Capital to fund Revenue.

The Chair observed that interest rates had increased and felt the Council should be taking advantage. The Director of Finance and Resources advised that this might not be possible because interest rates changed very quickly.

Members enquired who would make the decision on where to invest the money in the strategies. They were informed that the Director of Finance and Resources would carry this out on a day-to-day basis.

RESOLVED – That the Committee noted the report.

**AUD** **Committee Work Programme 2022-23**

**60/2**

**2-23**

Members agreed to add a discussion about the Northwood Group to the Work Programme 2022-23 because they felt the Group had not yet been considered at a formal Committee meeting. The Chair requested that a discussion about the Northwood Group be added to the Work Programme for the meeting on 10 May 2023.

RESOLVED

(1) That 'Discussion of Northwood Group' be added to the 2022-23 Work

Programme for the meeting on 10 May 2023.

- (2) That the Committee noted and approved the Audit and Corporate Governance Scrutiny Work Programme for the remainder of the 2022/2023 municipal year as set out in the attached Appendix 1.

**AUD** **Forward Plan of Executive Decisions**

**61/2**

**2-23**

**RESOLVED** – That the Forward Plan of Executive Decisions be noted.

**AUD** **To consider any other items which the Chair is of the opinion should be considered as a matter of urgency.**

**62/2**

**2-23**

There were no urgent items to be discussed at the meeting.

**AUD** **Date of Next Meeting**

**63/2**

**2-23**

The next meeting of the Audit and Corporate Governance Scrutiny Committee will be on 3.00pm 15 February 2023.