

CORPORATE GOVERNANCE, AUDIT AND STANDARDS COMMITTEE

Meeting held on Monday, 27th November, 2023 at the Council Offices, Farnborough at 7.00 pm.

Voting Members

Cllr P.J. Cullum (Chairman)
Cllr S. Trussler (Vice-Chairman)

Cllr C.W. Card
Cllr A.H. Gani
Cllr Christine Guinness
Cllr Nadia Martin
Cllr Sarah Spall
Cllr G. Williams

Apologies for absence were submitted on behalf of Cllr A. Adeola, Cllr Nem Thapa and Cllr Jacqui Vosper.

Cllr S. J. Masterson attended the meeting as a Standing Deputy.

Non-Voting Member

Apologies for absence were submitted on behalf of Mr T. Davies – Independent Member (Audit)

23. MINUTES

The minutes of the meeting held on 27th September 2023 were agreed and signed as a correct record of the proceedings.

24. PROPOSED VARIATION TO THE SCHEME OF HACKNEY CARRIAGE FARES

The Committee considered the Executive Head of Operations Report No. OS2317, which set out a proposal to vary the current scheme of hackney carriage fares by means of a reduction to the initial pull-off and running mile distances. The proposal was currently open to public consultation with a last date for comments of 8th December 2023 and the Committee was being consulted as a consultee.

The Committee noted that Section 65 of the Local Government (Miscellaneous Provisions) Act 1976 gave the Council the power (a discretionary ability) to fix the rates or fares in connection with the hire of a hackney carriage vehicle within its district by means of a fares scheme. The Council's Taxi Licensing Policy states that the scheme of fares should be subject to review a minimum of every two years. The current review was prior to the two-year deadline and had been instigated on a request from a member of the taxi trade.

The Report set out the implications of the proposals, including the proposed fare changes, a comparison of benchmark taxi journeys and a national league table of taxi fares. The Committee was advised that, whilst the increase varied dependent on the distance travelled and the meter rate that applied, on average the proposals would result in an increase of 4-5%.

It was explained that, if there were any objections to the proposals, these had to be brought back to the decision maker (the Operational Services Portfolio Holder) for consideration. Otherwise, the proposed scheme would take effect on 1st January 2024.

During discussion, questions were raised regarding consultation with taxi drivers, the modelling for the proposed change and the national league table of taxi fares. Members wishing to make individual comments on the public consultation were advised to make direct contact with Shelley Bowman – Licensing Manager (shelley.bowman@rushmoor.gov.uk) by the end of the consultation period of 8th December 2023.

RESOLVED: That

- (i) the public consultation exercise be noted; and
- (ii) in the absence of any comments on behalf of the Committee, Members wishing to make individual comments be asked to contact the Licensing Manager by 8th December 2023.

25. **TREASURY MANAGEMENT AND NON-TREASURY INVESTMENT OPERATIONS 2023/24 - MID-YEAR REPORT**

The Committee noted the Executive Head of Finance Report No. FIN2318, which set out the main activities of the Treasury Management and Non-Treasury Investment Operations during the first half of the 2023/24 financial year. This was a statutory requirement under the CIPFA Code of Practice on Treasury Management.

The Committee was advised that all treasury activity had been conducted within the approved Treasury Management Practices. During 2023/24 there had been an unprecedented number of Bank of England base rate increases from 3% in March 2023 to 5.25%. Whilst borrowing had remained within the approved limits, interest costs had increased significantly. The Committee noted that a full review of the Council's debt portfolio was currently being carried out to address this cost pressure. Pooled funds were a long-term investment of surplus cash. Due to the rapid change in base rate and the forecast economic climate, the funds were currently valued at less than the initial sums invested and full details were set out in the Report. Members were advised that work was being carried out to investigate this position. The Committee also noted that the Council had borrowed £118.6 million to invest in property. The portfolio's average return was below the cost of borrowing and Minimum Revenue Provision.

During discussion, Members raised questions regarding pooled funding and options to mitigate the amount of money borrowed to invest in property.

RESOLVED: That the Executive Head of Finance Report No. FIN2318 be noted.

26. **ANNUAL GOVERNANCE STATEMENT - UPDATE**

The Committee received the Audit Manager's Report No. AUD2308, which gave details of work carried out towards the implementation of the actions identified within the Annual Governance Statement, which had been considered by the Committee in June 2023.

The Section 151 Officer – Mr Ian Harrison – gave an update to the Committee on the current position in respect of the external audit for 2020/21, which would be brought to the Committee in January 2024 for approval. There would then be a pause while the Government made its decision regarding outstanding local authority audits and the way forward. Currently, 90% of all local authorities were considerably behind in having their annual accounts audited by external auditors.

RESOLVED: That the Audit Manager's Report No. AUD2308 be noted.

27. **INTERNAL AUDIT - UPDATE ON IMPLEMENTATION OF AUDIT RECOMMENDATIONS**

The Committee received the Audit Manager's Report No. AUD2309, which provided an update on the work being carried out on audit recommendations and progress towards the implementation of the recommendations.

The Committee noted that, as some of the outstanding recommendations related to previous financial years, a detailed review would be undertaken of the recommendations to ensure that, given the changes within the current economic climate on the Council and the changes post-Covid 19, the recommendations were still relevant and that the level of risk posed was still correct given the evolving environment. The Committee was advised that, by taking this approach, it would ensure that Council resources were being effectively utilised and were focused on improving the governance, risk management and control environment of the Council. A further report would be brought to the Committee when the detailed assessment work had been carried out to highlight the key outstanding recommendations.

RESOLVED: That

- (i) the progress towards the overall implementation of the audit recommendations, as set out in the Audit Manager's Report No. AUD2309, be noted; and
- (ii) the further focused work being carried out to ensure the outstanding recommendations being worked on were still relevant and the most effective use of Council resources to improve the overall governance, risk management and control environment be noted.

The meeting closed at 7.36 pm.

CLLR P.J. CULLUM (CHAIRMAN)
