

Extract of the minutes of the meeting of the Audit Committee of 28 January 2019

6. RISK REVIEW OF THE 2019/20 BUDGET

The Chief Finance Officer expanded on the report saying the budget was a costed plan in which assumptions had been made. £1m had been added to the Temporary Accommodation budget. The budget didn't contain many aspirations due to the impending change to the local government structure of the county and limited resources. An assumption had been made around the business rates income however mitigations were in place should this not be realised.

The previous Cabinet meeting had received a report regarding overspends, which was largely due to funding Temporary Accommodation for the homeless. He felt the known risks within the budget were manageable however there was contingency to manage the unknown.

In response to questions asked the Chief Finance Officer confirmed that local pay agreements were in operation at the Council. The Council had a corporate risk register and the Council's reserves mitigated the risks. Regardless of the impending change to local government structure the Council had to set a balance budget and have a MTFP. Any remaining reserves would be inherited by the Unitary Authorities once they took effect. He was content that the Council had a healthy level of general reserves however like all local authorities' efficiencies would be sought where possible.

In response to further questions the Chief Finance Officer explained that the Parish Council grants and precept had to be listed in the accounts even though the funding once received was paid straight out again. The Business Rate pilot scheme was being discussed by all authorities' in the County. Most of the funding received could be used against the costs of transformation to unitary authorities however this needed to be confirmed.

In response to a question the Chief Finance Officer explained that the impact of the loan to Northampton Town Football Club would have no impact on next year's budget. The Sixfields reserve was being created to manage the risks. The Chair indicated that the Committee should have oversight of this and any associated risks.

In response to questions the Chief Finance Officer indicated that further information on the Car Parking Scheme Review, the Reduced Training Budget and the Environmental Services Contract Review savings proposals should be sought from the relevant Cabinet Members and would be published in due course.

The Chief Finance Officer clarified that the role of Overview and Scrutiny was to consider budget proposals in more detail. The role of the Audit Committee was to ensure that the budget demonstrated a risk-based approach. All members were able to attend the Overview and Scrutiny sessions where more detail was provided around some of the budget proposals.

The proposal regarding restructure of the Housing Options and Advice Team would go ahead, and details would be presented to Cabinet in due course.

Members said there was a need to be clear on the risks and what was achievable around a proposal to ensure the mistakes of the past were not repeated.

The Chief Finance Officer explained that the Eleanor Cross proposal was an in-year

proposal so would not feature in next year's budget proposals and St James Link Road was not included in the current draft capital budget.

Councillor Markham stated she was a Director at NPH and asked why Horizon House was not included in the draft capital list. The Chief Finance Officer said it was a draft budget and NPH had withdrawn from NBC constructing the offices.

The Council was looking to use new homes as temporary accommodation in the future however proposals still needed to be developed. Market research had been conducted to determine the new schemes however they would only be included if there was funding or demand.

In response it was clarified that new meters had been installed at the traveller's site therefore there were annual maintenance costs to be accounted for and the Council would seek to recover those costs

RESOLVED that: The Audit Committee considered issues in relation to risk within the budget proposals for 2019/20.