

## MINUTES OF THE MEETING OF THE GENERAL PURPOSES COMMITTEE HELD ON WEDNESDAY, 31ST JANUARY, 2024

**MEMBERS:** Councillors Thomas Fawns (Chair), Ayten Guzel (Vice-Chair), Nawshad Ali, Alessandro Georgiou, Nelly Gyosheva, Joanne Laban, Elisa Morreale, Sabri Ozaydin and Michael Rye OBE

**Absent:**

Peter Nwosu (Independent Advisor)

**Officers:**

Fay Hammond (Executive Director Resources), Annette Trigg (Strategic Head of Corporate Finance), Terry Osborne (Director of Law and Governance), Olga Bennet (Director of Finance Capital & Commercial), Marion Cameron (Head of Internal Audit, Fraud and Insurance), Olu Ayodele (Head of Finance Capital & Projects), Milan Joshi (Assistant Head Capital and Projects), Penny Halliday (Director of Meridian Water), Ludmilla Iyavoo (Senior Lawyer) and Petra Stephenson (Governance Officer)

**Also Attending:** Ciaran McLaughlin and Sebastian Evans, BDO

### 1. WELCOME & APOLOGIES

The Chair welcomed everyone to the meeting.

Apologies for absence were received from Peter Nwosu.

### 2. DECLARATIONS OF INTEREST

No declarations of interest were received.

### 3. MINUTES OF THE PREVIOUS MEETING

**AGREED** the minutes of the General Purposes Committee meeting held on 25 October 2023.

### 4. BDO PROGRESS REPORT ON THE EXTERNAL AUDIT OF ACCOUNTS/UPDATE ON STATEMENT OF ACCOUNTS

Ciaran McLaughlin from BDO (who has replaced David Eagles) and Sebastian Evans from BDO attended the meeting. A verbal update was provided on the progress finalising the 2019/20 Audit.

Ciaran reiterated his commitment to complete the audit by April 2024 when questioned by the Chair.

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Members expressed their disappointment and frustration with BDO and the delays thus far.

In response to questions on accountability, materials, and infrastructure assets, BDO verified that they were in receipt of everything needed to progress the 2019 audit.

In respect of the outstanding audits for 20/21 onwards, and the consequences should the work not be completed, BDO surmised that the backstop date will be a cut-off point and any audits not completed by that date will have to be signed off with a limited scope. However, it is unknown how the process and procedure will work until the formal consultation, which is due imminently, is communicated.

Members expressed some concern regarding Covid and the effect on signing of the accounts. In response BDO confirmed the expectations and sited that it should not be a major issue in regard to closing the accounts.

Noted.

### **5. TREASURY MANAGEMENT STRATEGY STATEMENT FOR 2024/25**

Olga Bennet (Director of Finance: Capital & Commercial) provided an overview of the proposed Treasury Management Strategy for the period 2024/24 to 2033/34, the councils cash flow, borrowing and investments for recommendation to Cabinet to review the Strategy and to Council to approve the Strategy.

In response to Member questions Officers confirmed that:

- The table on page 22 of the report provides a breakdown of the gross to net interest calculation.
- HRA interest is paid from HRA rental income
- In respect of capital receipt assumptions – both the core general fund and Meridian Water capital receipt assumptions make a substantial difference
- Excluding HRA, debt is forecast to reduce over the ten years

In relation to other boroughs, Officers stated that like for like comparisons of the percentage of the revenue budget used for capital servicing are difficult (as some boroughs have HRAs and some do or do not capitalise some interest). LBE had decided that 10-12% is an appropriate proportion of the revenue budget to spend on capital to balance long term investment with day-to-day expenditure.

In response to further questions on Meridian Water, Penny Halliday (Director of Meridian Water) stated that she was confident in meeting the capital receipt

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assumptions. The award of HIF funds showed the government are also confident in Meridian Water's delivery.

Members were concerned that the global position in regard to war, the Ukraine and a change of leadership would impact the economy further. In response Officers gave assurance that there had been sensitivity testing around those issues to ensure that mitigations were available in case of further economic turbulence and that the remaining risk was within the Council's risk appetite.

**AGREED** to note the report.

### **6. DATES OF FUTURE MEETINGS**

**NOTED** the future meeting dates

### **7. EXCLUSION OF THE PRESS AND PUBLIC**

A resolution was passed under Section 100(A) of the Local Government Act 1972 excluding the press and public from the meeting for the items of business listed on Part 2 of the agenda on the grounds that they involve the likely disclosure of exempt information as defined in those paragraphs of Part 1 of Schedule 12A to the Act (as amended by the Local Government (Access to Information) (Variation) Order 2006).

### **8. CORPORATE RISK REGISTER**

The updated Corporate Risk Register was presented.

Following confidential discussions, it was **AGREED** that the report be noted.

### **9. MERIDIAN WATER RISK REGISTER**

The confidential report provided an update on the Meridian Water Risk Register.

**AGREED** that the report be noted.

The meeting ended at 8.15 pm.