

Audit Progress Report

Cheshire East Council

July 2020





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1. AUDIT PROGRESS

Purpose of this report

This report provides the Audit & Governance Committee with an update on progress in delivering our responsibilities as your external auditors.

Audit progress

With regards to our external audit of Cheshire East Council, since the last Committee meeting we have:

- Maintained a regular dialogue with the Director of Finance & Customer Services. We have held monthly video calls and these will continue through to the main audit visit in the autumn. These ensure that we remain up to speed with the Council's response to the challenges and its plans regarding financial reporting.
- Held a liaison meeting with internal audit to ensure that we continue to share our audit knowledge and understanding, and maximise the value of the combined audit resource to the Council.

There are no additional matters to report to the Audit & Governance Committee relating to our 2019/20 external audit.

2. NATIONAL PUBLICATIONS

	Publication/update	Key points	Page
National Audit Office			
1	Managing PFI assets and services as contracts end	Information on managing PFI contracts as they come to an end	5
Ministry of Housing, Communities & Local Government (MHCLG)			
2	Coronavirus support package for Councils	Press release announcing the latest government support	6

2. NATIONAL PUBLICATIONS – NATIONAL AUDIT OFFICE

1. Managing PFI assets and services as contracts end, June 2020

The NAO have published a report providing information on managing PFI contracts as they come to an end and considering whether government is making appropriate preparations to manage the expiry of PFI contracts. There are currently over 700 operational PFI contracts in place in the UK with a capital value of £57 billion. This study focusses on the 571 English PFI contracts, excluding those for which devolved governments are responsible.

The purpose of the report is to draw out the challenges and best practice that can most benefit those managing PFI contracts coming to an end. NAO identify illustrative examples from specific PFI contracts, and provide helpful prompts to draw the reader's attention to some of the potential risk's authorities may face, enabling preventative steps to be considered.

In the report, NAO examines:

- the background to PFI, the contracts which are due to expire, and the roles and responsibilities of key stakeholders;
- the skills and capabilities of authorities for the expiry process and aspects of day-to-day management of the contracts relevant for the preparation process; and
- the preparation for and delivery of contract expiry.

<https://www.nao.org.uk/report/managing-pfi-assets-and-services-as-contracts-end/>

2. NATIONAL PUBLICATIONS – MHCLG

2. Coronavirus support package for Councils, July 2020

On 2nd July 2020 MHCLG announced the latest support package for Councils to respond to the challenges of the Covid-19 pandemic. The press release announced a further, unringfenced £500 million to respond to spending pressures they are facing. In addition the announcement highlighted a new scheme to reimburse lost income, whereby where Councils' losses are more than 5% of their planned income from sales, fees and charges, the government will provide cover them for 75% of the lost income. Furthermore the Local Government Secretary also announced a proposal for a phased repayment of council tax and business rates deficits over 3 years, rather than requiring complete repayment of deficits next year.

<https://www.gov.uk/government/news/comprehensive-new-funding-package-for-councils-to-help-address-coronavirus-pressures-and-cover-lost-income-during-the-pandemic>

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