

Thurrock Council

Finance Recovery Board

Minutes – 11:30am, Tuesday 13 May 2025

Attendees:

Denise Murray (DM) – Finance Commissioner (Chair)
Dave Smith (DS) – Managing Director Commissioner / Chief Executive
Gavin Jones (GJ) – Lead Commissioner
Cllr John Kent (JK) - Leader of the Council
Cllr Lynn Worrall (LW) - Deputy Leader
Cllr Sara Muldowney (SM) – Cabinet Member for Finances and Resources
Alex Powell (AP) – Assistant Chief Executive
Dawn Calvert (DC) – Chief Finance Officer / S151
Cristina Hall (CH) – Chief of Staff to the Commissioners
Luke Tyson (LT) – Corporate Policy and Improvement Manager
Amber Robinson (AR) – Executive Assistant
Satinder Jas (SJ) – Head of Financial Assurance, Internal Audit, Risk and Insurance
Kathryn Hurlock (KH) – Strategic Surveyor, Asset Disposal Team
Douglas Sharp (DSh) – Camdor Global Advisors

Apologies:

Cllr George Coxshall (GC) – Leader of the Opposition Group
Cllr Jacqui Maney (JM) – Deputy Leader of the Opposition Group
Mark Bowen (MB) – Interim Project Lead - Legal
Daniel Fenwick (DF) – Executive Director of Corporate Services

1. Welcome and Introductions

- 1.1. DM welcomed board members to the first FRB meeting since she was appointed Finance Commissioner. It was noted that the FRB would continue with the existing Terms of Reference.

2. Matters Arising

- 2.1. Minutes of the last meeting were agreed. CH ran through the actions, noting that the deep dives have been programmed into the forward look. There was one outstanding action regarding the Investment Advisory Panel which had been closed down at the end of the municipal year. It was agreed that a note outlining the future plans for alternative governance bodies for these discussions should be shared with FRB members.

3. Debt Overview

- 3.1. DC ran through the latest updates on the Council's debt position and explained the current Capital Financing Requirement (CFR) position.
- 3.2. DM noted that the Council's debt servicing cost remains unsustainable and that there is more work to do to assess where the Council can be more efficient and productive. There is also work to be done to profile the need to refinance based on delivery of programmes and the HRA, but also to refinance borrowing to reduce the Council's exposure to interest rates. The team are working with DM on this and on cash flow.

4. Asset Disposals Programme

- 4.1. KH provided an update on the asset disposals programme and went through the original budget, updated forecasts, and money received to date. The programme focused on front loading disposals in the first few years. Forecasts are updated as more accurate information becomes available, and actual sales are tracked to show progress.
- 4.2. KH went through the variances, outlining that the money has been reprofiled over the 5-year period. This is due to both better planning and engagement with services but also through differentiating between the different broad classes of asset. SM asked about the programme's interaction with the savings proposals. KH explained that there is now a clearly structured process regarding when assets are no longer to be disposed of as part of the programme. This would be shared through FRB when available.
- 4.3. There was a discussion about how realistic the targets were to achieve, officers noted that there are risks but that close monitoring is helping them to understand the realistic picture and keep them to target. There was also a discussion about how to accelerate the programme.

4.4. DS noted that the Council needs to, as part of the new operating model, create a corporate landlord function to ensure they have a stronger understanding and oversight of their corporate assets. Senior officers have already been asked to work through this.

4.5. DM concluded the item by asking the team to provide a RAG assessment of the deliverability of the actuals, to be clear on the evaluation methodology of the programme, including considering the social value, and to have an agreed definition on community heritage assets.

- **Action: The asset team to include the following in the next update report:**
 - **RAG assess the deliverability of the asset disposal**
 - **Evaluation method which explicitly includes social fund**
 - **Outline the adopted approach to demonstrate how social value is considered in decisions**
 - **An agreed definition of community heritage assets**

5. Update on Divestments Strategy

5.1. DC provided an update on the Council's divestments strategy, giving an overview of all the work achieved to date and noting that the plan has recently been updated, working alongside advisors, as part of the wider MTFs review. DC went through the variances following this update and highlighted that only smaller value, more complex tail investments remain.

5.2. DSh gave Board members a summary of the latest developments regarding the remaining tail investments. Board members asked whether divesting was best option in cases where the value was changing or reducing. It was agreed that there would be a further discussion on the largest of the remaining tail investments at the appropriate time.

- **Action: Additional briefing on the tail investments to be arranged.**

6. System of Internal Controls – Risk Management and Internal Audit

6.1. SJ provided an update on risk management. In 2024/25, the team had three significant targets which have been achieved but there is more work to do to embed risk management across the council: 1) the corporate risk register has been developed and gone through SLT, Audit Committee and Cabinet and will be updated quarterly; 2) risk implications are now included in Cabinet and Audit Committee reports and will be rolled out to Overview and Scrutiny reports; 3) training is ongoing and will be expanded out to SLT, more officers and risk champions.

6.2. Members agreed there was still more to do to embed risk management across the organisation. They asked to raise the profile of the risk champions and for further training dates for members to be shared as soon as possible. The team outlined that they are aiming to have the risk management system go live in June 2025, with all risks uploaded to directorate level and further training

provided. DM wanted assurance that risk management was also being considered through a financial management perspective.

- **Action: Risk management to be added to the Member training schedule**

6.3. SJ provided an update on internal audit; noting that for 2024/25, they cannot get an internal audit opinion due to the range of audits carried out; 17 out of the 25 audits carried out were in relation to 2023/24 and remaining ones for 2024/25 did not give enough scope of work to provide an opinion. A three-year plan for 2025/26 onwards has now been produced and presented at Audit Committee which outlines fewer audits which are larger in scope, to allow for flexibility while focusing on key areas.

6.4. There was a discussion around the resourcing needs and requirements to complete the new plan, SJ has considered the resourcing needs, is bringing in new resource and will keep these plans under review. To build internal capability, they are also looking to invest in and build the skills of the current team. DM asked for a further separate discussion on the resource plan.

- **Action: DM to meet with SJ/DC on the internal audit resource plan.**

6.5. DM noted that not having an opinion for 2024/25 is considered an organisational failure and that it is vital Commissioners have evidence of an effective, well-resourced internal audit function that is compliant with the necessary standards. DM asked that the Council completes a self-assessment which comes back to FRB and through Audit Committee.

7. Financial Regulations / Scheme of Delegations - Update

7.1. DC outlined the work the Council is doing to update the financial regulations and to ensure they align with the Council's Constitution and the various budget requirements. DM wanted clarity that there was also alignment with the revised scheme of delegations.

7.2. Board members expressed concerns with how long this has taken to produce. DC reflected that while other work had needed to be prioritised ahead of this, they have been able to incorporate some of the learnings from the past year to ensure the regulations are suitable for the Council's needs.

8. Forward Look of Agenda Items/ AOB

8.1. The Board was happy with the suggested forward plan but asked that an update on Counter Fraud come back to a future meeting.

- **Action: Counter Fraud update to be added to the forward look**

8.2. There being no other items, the meeting was closed.

Annex I: Full list of meeting actions

- **Action - The asset team to include the following in the next update report**
 - **RAG assess the deliverability of the asset disposal**
 - **Evaluation method which explicitly includes social fund**
 - **Outline the adopted approach to demonstrate how social value is considered in decisions**
 - **An agreed definition of community heritage assets**
- **Action: Risk management to be added to the Member training schedule**
- **Action: Additional briefing on the tail investments to be arranged.**
- **Action: DM to meet with SJ/DC on the internal audit resource plan.**
- **Action: Counter Fraud update to be added to the forward look**