

Thurrock Borough Council

Finance Recovery Board

Minutes – Tuesday 28 March 2023

Attendees

Nicole Wood – Essex County Council Commissioner (Chair)

Cllr Mark Coxshall – Leader, Thurrock Council

Cllr John Kent – Opposition Group Leader, Thurrock Council

Dr Dave Smith, Managing Director Commissioner Thurrock Council

Jonathan Wilson – Acting Section 151 Officer, Thurrock Council

Debbie Knopp – Director of Transformation, Essex County Council

Patrick McDermott – Chief of Staff to the Commissioners, DLUHC

Georgia Parkin – Policy Officer to the Commissioners, DLUHC

Luke Tyson – Chief Intervention Officer, Thurrock Council

Gary Staples – Strategic Lead Corporate Programmes, Thurrock Council

Lorraine Surrey – Senior Project Manager, Thurrock Council

Gareth Moss – Chief Finance Officer

Steven Mair – Incoming Chief Finance Officer

Rob Large – Assets Programme Director

Apologies

Mark Bradbury – Interim Director of Place, Thurrock Council

Gavin Jones – Essex County Council Commissioner

Cllr Graham Snell – Cabinet Member for Finance, Thurrock Council

1. Welcome and Introductions

- 1.1. Nicole Wood (NW) led introductions welcomed new attendees to the Board. All attendees had received papers.

2. Minutes and actions of the last meeting

- 2.1. The Minutes of the previous meeting were agreed.

3. Workstreams Update

- 3.1. Gareth Moss (GM) provided an update on the workstreams. He noted that there are a suite of activities to undertake now that the budget has been cleared and that sponsors for each theme have been identified.
- 3.2. A discussion followed about the council's finance function and Gareth Moss emphasised the need for it to be increased due to historic lack of capacity and resource.
- 3.3. The Board agreed that the Commercial strategy is to be reviewed and agreed that independent advice should be procured.
- 3.4. Jonathan Wilson (JW) led an update on Fees and Charges review.

Action: Seek independent advice for Commercial Strategy.

Action: Bring the roadmap showing the political engagement pathway for the Fees and Charges review to FRB at the appropriate time.

4. Review of Financial Sustainability Plan

- 4.1. The board agreed that from lessons learned in the budget setting process, earlier planning would be advised.
- 4.2. GM informed the board that it is advised that CIPFA are commissioned to review the HRA. Mark Williams, who would be leading as an external consultant, has lots of experience particularly in a Project Management capacity. Mark Williams has been briefed in the overall Divestment strategy in terms of Asset Disposal.
- 4.3. Luke Tyson assured the board that an additional workstream to determine governance for all council owned companies is underway and he will update the FRB members on progress.
- 4.4. GM updated the board on local audit and a discussion followed about whether professional advice could be procured to assist the Council. Capacity with external auditors is limited.
- 4.5. NW sought assurance that work isn't repeated with an external consultant and we should use existing advice.
- 4.6. It was noted that the council are unable to change their audit provider because auditors are appointed by the Public Sector Audit Appointments (PSAA). However, BDO have withdrawn completely from the public sector market and Thurrock will be audited in the future by Ernst and Young (EY).

- 4.7. Debbie Knopp sought assurance that the Project Manager consultant from CIPFA, Mark Williams, supporting in the Divestment Strategy process will be reporting into the same workstreams.
- 4.8. The board discussed how the MTFs will include continued budget monitoring to satisfy internal governance. It was noted that the MTFs should include an update on the S114 notice.
- 4.9. The board discussed that the Strategic investment advisory group should report here to the FRB by exception and similarly the Property board should update by exception, with a full routine quarterly update.

Action: Steven Mair to conduct early engagement with EY.

5. Workstreams Update

- 5.1. GM updated the Board on the workstreams.
- 5.2. NW asked for MTFs to be updated, including up to 28/29 to support further conversations with DLUHC. Included in this would be a refreshed conversation with DLUHC about the package of support of 24/25 and beyond to continue sustainable support.
- 5.3. NW acknowledged that it was good practise for the board to share the report with the department as well as reporting into FRB.

6. Property and Assets Update

- 6.1. RL started by updating the board they have set up a team to solely concentrate on asset disposal and lawyers providing expertise on land fees.
- 6.2. As requested by commissioners, an asset review was conducted by EY to review higher value properties (valued at £30million total). RL confirmed that most properties were valued within 15% of EY's appraisals.
- 6.3. RL informed the board that 15 properties are on the market and the team are appraising the next tranche of properties. An initial list should be ready in the next three weeks and a further tranche of properties are expected in time for the September budget.
- 6.4. RL informed the board that the team are tracking progress with an Assets disposals tracker which is available for commissioners and board to access it.
- 6.5. RL advised the board that a further asset review should be conducted, with additional help from EY as it wasn't possible for the team to appraise the rest of the asset list for 24/25 and 25/26. Robust forecast for possible capital receipts for 24/25 and 25/26.
- 6.6. Steven Mair asked for a total value estimate for this coming year and it was discussed that there are £30 million of property assets, with £150million over 5 years. The board agreed to refine this split once the EY report is complete, align with the update to the MTFs as data gets more accurate.
- 6.7. NW requested that a product is produced to show the board of the assets that will contribute to the June report.

6.8. NW requested from the board are increase in specificity in identifying probability of selling high value assets.

6.9. Dr Dave Smith asked the board how realistic it is that the £30 million target is and requested a month and date target.

Action: Commissioning Avison Young for additional piece of work.

Action: Request Avison Young to report in 2 stages: Higher value assets by mid-May and full report for early July.

Action: Where sites have Cabinet approval for disposal, clarify whether any progression for TRL development is approved by Cabinet, specifically in relation to Culver Centre.

Action: Granularity of specific sale update and add month/date and probability to live disposals tracker.

7. Investment Activity

7.1. GM updated the board in the ongoing sale of Assets and that there can be delays due to the process being subject to several sets of legalities. However, they are on track for the first stage of the sales process in April.

7.2. GM informed the board that additional resource from CIPFA will help to support this process.

7.3. There was also a Toucan litigation update.

Action: Provide a full written report to the minister on the status of litigation and civil action for all investments.

8. Delivery Risk Assessment

8.1. Gary Staples (GS) updated the board that 50% of the target has been achieved and that the end position will be available in 2-3 weeks' time.

8.2. The team are currently building the 23/24 DRA process and not all will go through the Project Book.

8.3. The team is working with HR for any re-structure changes that will provide financial savings. GS noted an increase in saving from fees and charges.

8.4. The board noted that DRA reporting has been going well with good visibility and keeping both Cabinet and the Directors Board informed.

8.5. Dr Dave Smith asked the board for assurance in what the difference will be in delivering savings.

8.6. Steven Mair followed up to ask why the savings were not realised this year and why they are being carried into 23/24 and asked about the confidence of delivery in 23/24.

8.7. DK noted that reporting, quality, and quantity of resources have not been adequate to report on deliverables and recognises that this is part of the recovery journey.

- 8.8. The board noted that DRA was slower in the project management and transformation space than other parts of the intervention. The board reflected on why there is a consistent surprise by the failure to deliver.
- 8.9. The reporting process might be underselling the work that's been going on and learning and accountability needs to be clearer. JW noted that going into 23/24, there is a more in depth process taking place and the board continues to need assurance on budget holder capability, with clear visibility and accountability, imposing a new framework on a pre-existing system. This includes reporting into DB, holding relevant Directors to account.

Action: Ensure the 23/24 DRA reporting runs in parallel with Financial Reporting to Directors' Board (monthly, starting in April) and that a change control process is established.

9. Any other business

- 9.1. Thank you and farewell to Garth Moss and welcome to Steven Mair, on behalf of Commissioners.