

Thurrock Borough Council

Finance Recovery Board

Minutes – Tuesday 18 April 2023

Attendees

Nicole Wood – Essex County Council Commissioner (Chair)

Cllr Mark Coxshall – Leader, Thurrock Council

Cllr John Kent – Opposition Group Leader, Thurrock Council

Cllr Graham Snell – Cabinet Member for Finance, Thurrock Council

Dr Dave Smith – Managing Director Commissioner Thurrock Council

Jonathan Wilson – Acting Section 151 Officer, Thurrock 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

Steven Mair – Incoming Chief Finance Officer

Mark Bradbury – Director of Place, Thurrock Council

Apologies

Gavin Jones – Essex County Council Commissioner

Debbie Knopp – Director of Transformation, Essex County Council

1. Welcome and Introductions

- 1.1. Nicole Wood (NW) led introductions. All attendees had received papers.

2. Minutes of last meeting / Action log

- 2.1. The Capital Review was discussed with members and NW emphasised the importance of securing meeting dates for the Capital Review Board.

Action: Capital Review Board meeting date to be confirmed, with an exception report needed for members at the next Financial Recovery Board Meeting.

Action: Fees and Charges Review to be on the next agenda.

3. Workstreams Update

- 3.1. Steven Mair (SM) led the finance function review and Review of Companies. SM confirmed he has met with CIPFA and further engagement is ongoing.

4. Budget 23/24 / 24/25 Roadmap

- 4.1. SM presented the budget roadmap and a discussion followed about formulating the budget early in the cycle to assist with early engagement on proposals.
- 4.2. SM discussed that a paper setting out how we improve the £56 million deficit of 28/29, including savings and investment receipts with the aim to increasing revenue savings to 10%, accelerate capital receipts and aim for no borrowing.
- 4.3. The budget planning for 24/25 aims to conclude in September 2023 to allow timeliness for scrutiny.
- 4.4. SM added that if revenue savings could be increased to £15million that would be preferable.
- 4.5. A discussion followed on levels of council tax in coming years to fund transformation programme. The council is very likely to ask for DLUHC's support for 9.99% in 24/25 budget and will continue needing its support moving forwards.
- 4.6. An increase in savings for 23/24 was recommended by Commissioners. A review will be carried out on a regular basis on £15million of savings so far.
- 4.7. A discussion followed on the process for the capital budget with delivered savings by September 2023 with proposals for Cabinet in December 2023.
- 4.8. Councillor John Kent (JK) asked the Board for assurance that savings of £9 million would be possible in the coming year and for assurance in delivering savings and welcomed the early budget process.
- 4.9. Dr Dave Smith (DS) assured the Board that even though it will be hard and inclusive of risk, it is possible to make savings on this type of budget. NW recognised how important the consultation is.
- 4.10. NW was pleased to see early progress of savings strategy

- 4.11. Councillor Graham Snell (GS) wanted assurance from the Board that service quality and staff morale be maintained despite an ambitious savings target.
- 4.12. The Board agreed on the importance of collaborative work between the SLT and the new Cabinet, so that the delivery of savings is owned together and building a culture of accountability.
- 4.13. JK noted it may be preferable to start budget consultation earlier, and SM gave assurance that matters of substance needed to occur before scrutiny.

Action: Bring the scope of the Fees and review to the May FRB meeting.

Action: In the monthly FRB budget update for May, include assurance on the deliverability of savings identified and an update on proposals for community and business consultation.

5. Finance Department Review, Restructure and Recruitment

- 5.1. SM updated on the review and restructure of the finance function. CIPFA is lending support for a new financial management model and performance management.
- 5.2. Within the organisational business plan, there will be hiring and training of new staff members including accountants, apprentices, other financial experts and therefore promoting continuous improvement.
- 5.3. NW thanked SM for a clear and prompt paper. SM discussed with the Board how critical Procurement is as part of the transformation journey and that there needs to be a substantial procurement team. NW and DS noted they were pleased to see this progressing so quickly.

6. Investment Update

- 6.1. Mark Bowen (MB) provided an update to the Board on investments. A discussion followed about the ongoing JLG and Toucan litigation. The current timeline for the Toucan sale is mid-October.
- 6.2. SM is to meet with the insolvency practitioner for JLG to assist in the development and the approach to these claims, which are more complex.
- 6.3. Cllr Mark Coxshall (MC) raised the need to balance the cost of claims with the public interest. NW reiterated that the Board would seek clarification from DLUHC in terms of the public good as required.

Action: Mark Bowen to attend FRB in May to present the monthly investment/litigation update and a draft briefing note for the Minister.

7. Property and Assets Update

- 7.1. Mark Bradbury (MBr) provided an update on property, noting that Avison Young have been commissioned.
- 7.2. A discussion followed regarding the property tracker and it was agreed that specific dates needed to be added, as well as the agent responsible for each. The team are working on due diligence for the next tranche.

- 7.3. MBr updated the Board that the date for the first tranche can be moved from mid-June back to mid-May.

8. Update on the Review of Rentals

- 8.1. A verbal update was given to the Board.
- 8.2. There are currently 789 commercial units available for lease. 113 are outstanding and coming up to the end at the end of the financial year. The current portfolio shows a potential to increase rents. Of 156 units, 35% are subject to outstanding rent reviews and renewals.
- 8.3. The priority for the team now is actioning prioritisation and two further members of staff have been brought in to help with that piece of work.
- 8.4. MBr further discussed the importance of keeping the asset vs rent balance that you can reasonably achieve.
- 8.5. NW asked if the rentals value would be £30million per year and if that was reasonable. SM stated that a case by case analysis would be necessary as if all the assets were sold, there wouldn't income through the rentals and could dilute the market.
- 8.6. In terms of the MTFS there has been an adjustment made for the loss of the income.
- 8.7. A discussion followed on the resourcing of the team.

9. Decisions Taken

- 9.1. None to note.

10. Any other business

- 10.1. NW welcomed SM to his new role and there being no other business the meeting closed.