

Thurrock Borough Council

Finance Recovery Board

Minutes – 9:30am, Thursday 21 November 2023

MS Teams.

Attendees

Nicole Wood (NW) – Finance Commissioner (Chair)

Dr Dave Smith (DS) – Managing Director Commissioner, Chief Executive

Steven Mair (SMa) – Acting Chief Finance Officer

Jonathan Wilson (JW) – Acting Director of Finance

Luke Tyson (LT) – Chief Intervention Officer

Patrick McDermott (PM) – Chief of Staff to the Commissioners

Cllr Andrew Jefferies (AJ) – Leader of the Council

Cllr Graham Snell (GS) – Cabinet Member for Resources

Mark Bradbury (MB) – Interim Director of Place

Mark Bowen (MBo) – Deputy Monitoring Officer

Lorraine Surrey (LS) – Senior Project Manager (minutes)

Guest

Ewelina Sorbjan (ES) – Assistant Director Housing Management and Development

Apologies

Cllr John Kent (JK) – Opposition Group Leader

Cllr Lynn Worrall (LW) – Opposition Group Deputy Leader

Rob Large (RL) – Programme Director, Asset Disposals

Vince Waddams (VW) – Delivery Assurance Manager

Keilah Gallardo (KG) – Business Support Officer, Chief Executive

1. Welcome and Introductions

2. Matters Arising

2.1. Minutes of the previous meeting were agreed.

2.2. The action log was reviewed and updated.

3. Workstreams Update

3.1. A full update report had been circulated with the agenda. Sma updated on divestments and discussions with DLUHC.

3.2. In respect of the Finance restructure, 9 new appointments have been made, with starting dates January – March 2024. NW requested an update on the restructure ahead of the January FRB meeting.

Action: Sma to provide an update on the finance restructure prior to the FRB meeting on 18 January.

3.3. Sma updated the Board that the overall magnitude of asset disposals forecast over the 5-year period is adjusted from an original provisional figure of circa £150million to circa £118million.

3.4. The General Fund Capital Programme will be considered at Overview and Scrutiny on 14 February 2024.

4. Accounts: National Picture

4.1. A report had been circulated with the agenda. Sma advised that proposals have been announced for addressing the persistent and significant backlog of local audit opinions. A series of statutory backstop dates for accounts preparers and auditors will be introduced, to clear the backlog of delayed audits. If work is incomplete at the applicable backstop date, auditors will need to qualify or disclaim their opinions. It is anticipated that statutory mitigations will be required to ensure the burden of auditing opening balances does not risk creating delays in subsequent years.

4.2. PM confirmed that the consultation will not be published before Christmas.

4.3. DS asked whether there will be any additional requirements for authorities such as Thurrock, in intervention. Sma confirmed the backstop dates would apply to all councils and that although it will be a challenge, the result will be a clear set of accounts from which we can move forward.

4.4. PM added that Commissioners will be able to give their views on particular areas of focus, such as specific years in the case of Thurrock, as part of the consultation.

4.5. NW advised that the length of the consultation is not yet known, and that audit firms have been extensively involved.

4.6. PM will continue to keep abreast of the situation and keep Commissioners informed.

5. HRA: Right to Buy Update

- 5.1. The Executive Summary of the CIPFA review of HRA recharges had been circulated following the previous FRB meeting. ES advised that work is ongoing to address the recommendations.
- 5.2. A paper had been circulated with the agenda, outlining the request for consideration by DLUHC and Treasury in respect of borrowing and use of Right to Buy receipts.
- 5.3. ES outlined the issues: Right to Buy receipts must be used within 5 years of receipt, or paid into the national pool with interest calculated at 4% over base rate calculated daily; the council is under direction to reduce borrowing but in order to use retained Right to Buy receipts it must provide 60% funding from other resources; and thirdly, the sites the council is planning to use the Right to Buy receipts for do not come under the eligible costs defined in the S11(6) agreement as they are brownfield sites which require the buy-back of leaseholders from flats previously sold to them.
- 5.4. DS suggested it might be advantageous to also make the arguments politically in order to keep the issues high on the DLUHC and Treasury agendas.
- 5.5. JW reminded FRB of the interest being accrued whilst the decisions are awaited, and ES added that action being taken in respect of Blackshots will increase pressure on the housing waiting list and homelessness approaches locally.
- 5.6. DS suggested that he and ES should draft a letter for the Leader to send to the Minister (with MPs cc'd), to provide a backdrop for upcoming discussions with Ministers, covering both the Right to Buy and the borrowing requests.

Action: ES to prepare a letter for the Leader to send to the Minister on the Right to Buy and borrowing requests.

6. Council Tax

- 6.1. NW confirmed that the settlement statement made on Monday 18 December provides detail on referendum limits.

7. Asset Disposals

- 7.1. MB summarised the report that had been circulated with the agenda and highlighted that the VOSA site sale has now completed.
- 7.2. The sale of St Chads progresses, and bids submitted by the 13 December deadline are now being analysed. MB confirmed that as the assets are owned by TRL, decision making sits with the company, but there may be some aspects that require Member decision, and this will be clarified.

8. Items for next meeting

- Workstreams update
- MTFS
- Asset Disposals
- Capital Programme
- Investment Recovery and Litigation Update (inc litigation costs)

- S114 Management Reporting
- Financial Modelling Review

8.1. NW advised that an item on Capitalisation and Capitalisation Rules may need to be added to the forward plan in future.

9. Any other business

9.1. LT explained that there may need to be an Extraordinary meeting of FRB to review budget papers for 24/25.

Appendix I: Full Meeting Actions

Action: SMA to provide an update on the finance restructure prior to the FRB meeting on 18 January.

Action: ES to prepare a letter for the Leader to send to the Minister on the Right to Buy and borrowing requests.