



Alison Stuart
Head of Legal and
Democratic Services

MEETING : FINANCIAL SUSTAINABILITY COMMITTEE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : THURSDAY 22 AUGUST 2019
TIME : 7.00 PM

PLEASE NOTE TIME AND VENUE

MEMBERS OF THE COMMITTEE

Councillor G Williamson (Chairman)

Councillors A Alder, K Crofton, I Devonshire, M Goldspink, G McAndrew,
C Redfern, M Stevenson, T Stowe and A Ward-Booth

Substitutes

Conservative Group:

Liberal Democrat

Group:

Green/Labour:

(Note: Substitution arrangements must be notified by the absent Member to Democratic Services 24 hours before the meeting)

CONTACT OFFICER: PETER MANNINGS

01279 502174

peter.mannings@eastherts.gov.uk

DISCLOSABLE PECUNIARY INTERESTS

1. A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:
 - must not participate in any discussion of the matter at the meeting;
 - must not participate in any vote taken on the matter at the meeting;
 - must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
 - if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
 - must leave the room while any discussion or voting takes place.
2. A DPI is an interest of a Member or their partner (which means spouse or civil partner, a person with whom they are living as husband or wife, or a person with whom they are living as if they were civil partners) within the descriptions as defined in the Localism Act 2011.
3. The Authority may grant a Member dispensation, but only in limited circumstances, to enable him/her to participate and vote on a matter in which they have a DPI.

4. It is a criminal offence to:

- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the register;
- fail to notify the Monitoring Officer, within 28 days, of a DPI that is not on the register that a Member disclosed to a meeting;
- participate in any discussion or vote on a matter in which a Member has a DPI;
- knowingly or recklessly provide information that is false or misleading in notifying the Monitoring Officer of a DPI or in disclosing such interest to a meeting.

(Note: The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.)

Public Attendance

East Herts Council welcomes public attendance at its meetings and will provide a reasonable number of agendas for viewing at the meeting. Please note that there is seating for 27 members of the public and space for a further 30 standing in the Council Chamber on a "first come first served" basis. When the Council anticipates a large attendance, an additional 30 members of the public can be accommodated in Room 27 (standing room only), again on a "first come, first served" basis, to view the meeting via webcast.

If you think a meeting you plan to attend could be very busy, you can check if the extra space will be available by emailing democraticservices@eastherts.gov.uk or calling the Council on 01279 655261 and asking to speak to Democratic Services.

Audio/Visual Recording of meetings

Everyone is welcome to record meetings of the Council and its Committees using whatever, non-disruptive, methods you think are suitable, which may include social media of any kind, such as tweeting, blogging or Facebook. However, oral reporting or commentary is prohibited. If you have any questions about this please contact Democratic Services (members of the press should contact the Press Office). Please note that the Chairman of the meeting has the discretion to halt any recording for a number of reasons, including disruption caused by the filming or the nature of the business being conducted. Anyone filming a meeting should focus only on those actively participating and be sensitive to the rights of minors, vulnerable adults and those members of the public who have not consented to being filmed.

Implementing paperless meetings will save East Herts Council approximately £50,000 each year in printing and distribution costs of agenda packs for councillors and officers.

You can use the mod.gov app to access, annotate and keep all committee paperwork on your mobile device.

Visit <https://www.eastherts.gov.uk/article/35542/Political-Structure> for details.

The Council is moving to a paperless policy in respect of Agendas at Committee meetings. From 1 September 2019, the Council will no longer be providing spare copies of Agendas for the Public at Committee Meetings. The mod.gov app is available to download for free from app stores for electronic devices.

AGENDA

1. Appointment of Vice-Chairman

2. Apologies

To receive apologies for absence.

3. Chairman's Announcements

4. Declarations of Interest

To receive any Members' declarations of interest.

5. Establishment of Financial Sustainability Committee (Pages 7 - 22)

6. Verbal presentation by Corporate Property Service Manager on Investment Decisions

7. Urgent Business

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

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EAST HERTS COUNCIL

FINANCIAL SUSTAINABILITY COMMITTEE – 22 AUGUST 2019

REPORT BY EXECUTIVE MEMBER FOR FINANCIAL SUSTAINABILITY

ESTABLISHMENT OF FINANCIAL SUSTAINABILITY COMMITTEE

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- To inform the Members of the Financial Sustainability Committee what was agreed at the Council meeting of 24th July 2019.

<u>RECOMMENDATIONS FOR FINANCIAL SUSTAINABILITY COMMITTEE That:</u>	
(A)	The Committee notes the report and agrees that the actions and tasks required from the report be implemented.

1.0 Background

1.1 Following a two year process, the Financial Sustainability Committee was recognised as having delegated power to invest in income generating projects at the 24th July 2019 Council meeting.

1.2 This first report for the new Financial Sustainability Committee sets out the terms and conditions for the Committee and the boundaries of the investment decisions.

2.0 Report

2.1 As above. The report and supporting files that were reported to Full Council on 24 July 2019 can be found at **Essential Reference Papers 'B – E'**.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Background Papers

None.

Contact Member: Councillor G Williamson – Executive Member for Financial Sustainability
geoffrey.williamson@eastherts.gov.uk

Contact Officer: Isabel Brittain – Head of Strategic Finance and Property, Tel: 01279 502050.
isabel.brittain@eastherts.gov.uk

Report Author: Geoff Hayden – Corporate Property Service Manager, Tel: 01992 531644
geoff.hayden@eastherts.gov.uk

ESSENTIAL REFERENCE PAPER 'A'

IMPLICATIONS/CONSULTATIONS

Contribution to the Council's Corporate Priorities/ Objectives (delete as appropriate):	Priority 1 – Improve the health and wellbeing of our communities Priority 2 – Enhance the quality of people's lives Priority 3 – Enable a flourishing local economy
Consultation:	All agreed at Council 24 th July 2019
Legal:	All agreed at Council 24 th July 2019
Financial:	All agreed at Council 24 th July 2019
Human Resource:	None
Risk Management:	All agreed at Council 24 th July 2019.
Health and wellbeing – issues and impacts:	None
Equality, diversity and human rights considerations, and whether Equality Impact Assessment required:	None
Environmental Sustainability	None

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EAST HERTS COUNCIL

COUNCIL – 24th JULY 2019

REPORT BY EXECUTIVE MEMBER FOR FINANCIAL SUSTAINABILITY

ESTABLISHMENT OF THE FINANCIAL SUSTAINABILITY COMMITTEE

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

This report proposes the membership and terms of reference for a new Financial Sustainability Committee.

<u>RECOMMENDATIONS FOR COUNCIL: That:</u>	
(A)	A Financial Sustainability Committee be established as a committee of the Council with ten members to reflect the Council's political proportionality according to the political balance regulations
(B)	The proposed terms of reference for the committee in Essential Reference Paper 'C' are approved
(C)	That the Head of Legal and Democratic Services be authorised to amend the Constitution to incorporate the Financial Sustainability Committee
(D)	That authority to allocate resources for financial sustainability from the budget approved for this purpose by Council at its meeting of 5th March 2019 be delegated to the Financial Sustainability Committee.

- 1.1 A Financial Sustainability Group has been meeting for a number of years reviewing and discussing income generating initiatives.
- 1.2 At its meeting on the 5th March 2019 the Council agreed the Group should be embedded as a board and should have delegated authority to invest in projects. As it is envisaged that this body will be making decisions on expending capital on projects, it is advisable that in order to provide accountability and transparency, the board should be established as a Committee of the Council.
- 1.3 At its meeting on 5th March 2019, the Council also agreed a capital sum of £3m to invest in commercial income generating activity. This report seeks approval that the authority to allocate these resources should now be vested in the proposed Financial Sustainability Committee.
- 1.4 The former Financial Sustainability Group, subsequently envisaged as a board by Council at its meeting of 5th March, is effectively a committee of the Council, and is therefore subject to the rules of political balance.
- 1.5 The Group's evolution to a committee requires a change of terms of reference so that formal decisions can be made and recorded. The Council's Constitution will therefore require updating to include such terms of reference, if the above recommendations are approved.

2.0 Report

2.1 The proposed members are listed within **Essential Reference Paper 'B'**.

2.2 The proposed terms of reference are detailed within **Essential Reference Paper 'C'**.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper 'A'**.

Contact Member: Councillor Geoffrey Williamson
geoffrey.williamson@eastherts.gov.uk

Contact Officer: Isabel Brittain
Contact Tel No 010992 502050
isabel.brittain@eastherts.gov.uk

Report Author: Geoff Hayden
Contact Tel No 01992 501644
geoff.hayden@eastherts.gov.uk

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IMPLICATIONS/CONSULTATIONS

<p>Contribution to the Council's Corporate Priorities/ Objectives <i>(delete as appropriate):</i></p>	<p>Priority 1 – Improve the health and wellbeing of our communities</p> <p>Priority 2 – Enhance the quality of people's lives</p> <p>Priority 3 – Enable a flourishing local economy</p> <p>The purpose of the report is to set up the financial sustainability committee. Once established this committee will be working to invest in projects and approve money saving and income generation projects for the Council. The projects will lead to an improved financial position for the Council which will contribute to all three priorities.</p>
<p>Consultation:</p>	<p><i>This report has been to the Financial Sustainability Group for approval prior to consultation with Leadership team</i></p>
<p>Legal:</p>	<p><i>This committee needs to comply with the provisions of political balance requirements by virtue of The Local Government and Housing Act 1989</i></p>
<p>Financial:</p>	<p><i>A capital budget of £3m has already been approved for the committee to use for investment projects. There are no other financial implications for this report.</i></p>
<p>Human Resource:</p>	<p><i>There are no anticipated additional staffing implications for the formal establishment of this Committee. Democratic Services and Finance and Property Services Officers will be required to attend these Committees.</i></p>
<p>Risk Management:</p>	<p><i>The property sector is high risk particularly due to the decline of the high street and failures of retailers and other companies. The council may also be competing against commercial investors with more experience, or other local authorities.</i></p>
<p>Health and wellbeing – issues and</p>	<p><i>No specific implications arise from this report.</i></p>

impacts:	
Equality, diversity and human rights considerations, and whether Equality Impact Assessment required:	<i>No specific implications arise from this report.</i>
Environmental Sustainability	<i>No specific implications arise from this report.</i>

ESSENTIAL REFERENCE PAPER 'D'

Financial Sustainability Committee

10 seats

Conservative

- 1 Geoffrey Williamson
(Chairman)
- 2 Angela Alder
- 3 Kenneth Crofton
- 4 Ian Devonshire
- 5 Graham McAndrew
- 6 Mari Stevenson
- 7 Tony Stowe
- 8 Alastair Ward-Booth

Liberal Democrat

- 9 Mione Goldspink

Green/Labour

- 10 Carolyn Redfern

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Financial Sustainability Committee

Remit

The Financial Sustainability Committee (in this Section 3 referred to as “the Committee”) may undertake the Council’s function to:

- (a) review and advise on initiatives to generate income for the Council
- (b) promote financial sustainability and stability by generating income
- (c) decide to invest on projects within the financial budget delegated to them

Membership and meeting arrangements

The Committee shall consist of 10 Members. It shall be appointed annually by the Council and shall be politically balanced. The Chairman will:

- (a) have full understanding of his or her procedural responsibilities, in accordance with the principles set out in paragraph 5.2 of Chapter 5 of the Constitution;
- (b) be responsible for Member-to-Member engagement.
- (c) lead on other Member-related duties including the appointment of Members of the Committee and non-voting co-optees to task and finish groups.

The Committee will meet in accordance with a schedule of ordinary meetings, although meetings may be cancelled due to lack of business. With the agreement of the Chairman (or Vice-Chairman in the absence of the Chairman) additional meetings of the Committee may also be called if necessary.

Delegation of functions

The Committee will consider:

a) progressing with one or more projects within the delegated capital budget. Each Project's budget shall need to include all foreseeable costs (for example Fees, Stamp Duty Land Tax and VAT).

b) the criteria for officers to search for investment opportunities. These criteria will be reviewed regularly and adjusted accordingly in line with the economic markets and risk profile that the Council wish to operate in.

c) decide on recommendation reports put forward by officers requesting authority to proceed with a project and allow for investment in due diligence.

d) the review of current project progress and to make further decision to proceed or stop projects should due diligence uncover any adverse effects on the business case.

e) business cases for financial investment in service areas for income generation. Reports will be brought to the committee before full Council for consideration and approval to proceed with the Committee's support and recommendation.

f) business cases for financial investment with a budget higher than the Committee's delegated budget threshold. Such reports will be brought for the Committee consideration and approval to progress with the Committee's support and recommendation.

g) establishing subcommittees to agree recommendations on specific projects where changes to a business case may occur due to changing variables.

Procedure at meetings

Any meetings of the Committee will require a quorum of more than one third of the membership (minimum of 4 members).

Meetings of the Committee will be conducted in accordance with the Council Procedure Rules where they apply to Committees. In particular Rules 5.5 – 9, 12.3 – 12.6, 15, 18 – 23 and 25 – 26 apply to meetings of committees and sub-committees.

Voting arrangements will be as set out at Rule 18, the most relevant provisions being summarised as follows:

Majority: any matter will be decided by a simple majority of those Members of the Committee voting and present in the room at the time the question was put;

Chairman's casting vote: if there are equal numbers of votes for an against, the Chairman will have a second or casting vote;

Show of hands: the Chairman will take the vote by show of hands asking Members to indicate whether they are for, against or abstain, unless a ballot or recorded vote is taken;

Ballot: the vote will take place by ballot if five Members present at the meeting demand it; the Chairman will announce the numerical result of the ballot immediately the result is known;

Recorded vote: if five Members present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes. A demand for a recorded vote will override a demand for a ballot.

Meetings timetables

Meetings of the Committee will be programmed in each civic year. There will normally be six meetings of the Committee annually. In addition, extraordinary meetings may be called from time to time as and when required. Extraordinary meetings may be called by the Chairman of the Committee, or by any four members of the Committee.

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