

ESSENTIAL REFERENCE PAPER 'B'

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'**.

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