

## Finance & Investment Advisory Committee

Minutes of the meeting held on 21 May 2024 commencing at 7.00 pm

Present: Cllr. Grint (Chairman)

Cllr. Maskell (Vice Chairman)

Cllrs. Bayley, Clayton, Malone, James Morgan, Scott and Silander

Apologies for absence were received from Cllrs. Manston, Cathy Morgan and Williams

Cllrs. Purves, Robinson and Skinner were also present.

Cllrs. Manston, Cathy Morgan and Horwood, were also present via a virtual media platform which does not constitute attendance under the Local Government Act 1972.

### 1. Appointment of Chairman

Resolved: That Cllr Grint be appointed Chairman of the Advisory Committee for 2024/25.

(Cllr. Grint in the Chair)

### 2. Appointment of Vice Chairman

Resolved: That Cllr. Maskell be appointed Vice Chairman of the Advisory Committee for 2024/25.

### 3. Minutes

Resolved: That the Minutes of the Finance & Investment Advisory Committee held on 9 April 2024, be approved and signed by the Chairman as a correct record.

### 4. Declarations of Interest

There were none.

### 5. Actions from Previous Meeting

There were none.

### 6. Update from Portfolio Holder

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The Portfolio Holder for Finance & Investment presented to the Committee the results of the budget process survey which was provided to Members. He advised that 18 responses had been received but noted that it was a low response rate. He advised that the majority of responses were positive and that some points raised in the survey would be considered in further detail for the budget process going forward later in the year.

### 7. Referral from Cabinet or the Audit Committee

There were none.

### 8. A Place-Based Approach to Engagement

The Chief Officer – People and Places presented the report which set out a holistic approach to developing a 'place-based approach' to engagement as part of the regeneration of Council owned assets within the Sevenoaks District. The Council's property assets and the way in which they were used was key to transforming the way in which the Council, together with partners, deliver public services to meet the needs of communities. This required a more focused strategic and engagement approach across the Council's portfolio of assets, which maximises their role in regenerating the District and supporting communities.

Members discussed the report. Green spaces and woodland as assets were raised, and ensuring different groups of stakeholders were engaged with. In response to questions, the aim was to provide an overarching approach to engagement, which would then be tailored to each project. There were some concerns that the report did not detail fully how the framework would apply to continually involve residents through developments.

In response to comments made, Members were advised that as per paragraph 21 of the report, continuous engagement would not solely occur at conception stage, but through the development and duration of a project. The approach could be used to understand and respond to the needs of local people and this included residents. It was mooted that further inclusion of the word residents be used in the documents.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the public sector equality duty.

Resolved: That it be recommended to Cabinet to endorse a 'place based approach' to engagement as part of the regeneration of Council-owned assets within the Sevenoaks District, subject to the addition of

- a) Greenspaces and woodlands, being included; and

- b) Greater emphasis on residents being involved in the process of place making.

9. Land East of High Street, Sevenoaks

The Regeneration and Development Project Manager presented the report which set out the identified opportunity to regenerate the Land to the East of Sevenoaks High Street, following the pressing need to undertake significant work to decarbonise the existing leisure centre and other buildings owned to ensure compliance with new environmental standards. Regenerating Land to the East of Sevenoaks High Street would help achieve this, whilst also helping to deliver other objectives, in line with principles and policies noted in the Council's Communities Plan, the emerging local plan, the Neighbourhood Plan, the Economic Development Strategy and the Town Centre Strategy.

Various feasibility work and other due diligence studies had been undertaken as set out in the report to explore potential redevelopment options for Land East of Sevenoaks High Street. The bulk of the proposed regeneration area was owned (freehold) by the Council apart from the Library and its associated staff car park and areas of adopted public highways, which are owned by Kent County Council (KCC).

Positive discussions had taken place with KCC regarding a partnership arrangement with the Council on regenerating the area, with both parties working in collaboration with one another against an agreed set of aims and objectives and via a corporate delivery vehicle established with a private sector Strategic Development Partner to deliver the project.

External help and support would be required to deliver this project and would involve appointing various consultants as part of the Project Team. This would ensure confidence and assurance going forward with independent/expert advice with proper due diligence to enable all partners to make informed decisions. Internal staff resources would be shared between the Council and KCC.

It was recommended that the virement of £435,000 be made from the existing £1.5m feasibility budget to allocate towards this project within the approved capital programme. This was not new money but existing capital that would be used for the appointment of the required consultants for this project as set out in section 81 of the report.

The recommended delivery structure for this project of an LLP was a well-recognised and very common vehicle used in Joint Ventures (JV) between councils and private sector developers. KCC was also in agreement with this approach as they were delivering several other schemes using an LLP JV delivery model. The main reasons and benefits associated with this approach are set out in sections 37 to 44 in the report.

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Public engagement events were undertaken and the approach and key findings were detailed within Appendix F. The feedback would be used to refine the vision, clearly set development objectives and principles prior to procuring a Strategic Development Partner. Once the Strategic Development Partner has been selected and the LLP has been established further key stakeholder and public engagement exercises will be undertaken as the project progresses and more details emerge.

The Chairman took the opportunity to remind Members that their area of focus was the proposal for the virement for advice and consultants and secondly to comment on the joint venture structure.

Members asked questions of clarification and were advised that it was the intention to improve public transport within the District and this was being demonstrated through the movement strategy. It was anticipated that the development would be inclusive, including environmental factors which would be further considered going forward when detailed studies and surveys that would help inform the design process to ensure key requirements were met. In regards to affordable housing, at least 20% would be needed as one of the key requirements and would need to reflect the Council's affordable housing policy.

In response to further questions, Members were advised that there was a lot of work that needed to be undertaken in regards to layout of the area but it was important to recognise that once a development partner was brought on, it was expected they would be able to identify opportunities that would not have necessarily been identified by Officers in the first instance. There were a long list of requirements that would be expected of the development partner, and ensuring continuity of service for the library and leisure centre was a priority; and there were limited options for elements of the initial scheme design to be placed elsewhere that would allow for both building construction and service continuity at the same time.

In discussion it was raised that there was support for the scheme and the regeneration of the site, noting the responses from public engagement. Other comments raised included the consideration of boundaries, long term prosperity of the Sevenoaks Town, environmental benefits and equality.

Members were advised that the virement estimation was based on experience and incurred costs to date with similar projects, with a buffer zone. In regards to the LLP structure, the project was primarily for delivering community benefits but there was going to be an element of financial benefits too but this was not the main driver. KCC had experience with LLPs, and initial advice had been sought to consider other possible structures available, but this option would provide the best way to mitigate risk by bringing in partners who had the necessary expertise but also allow the Council to participate financially. The Portfolio Holder for Finance & Investment, also took the opportunity to emphasise that Cabinet would want to satisfy itself fully regarding risks before any formal undertaking was agreed. It was reiterated that the development was still in its early stages. The finances of the scheme would require further details and could change from those detailed within the report once overall development plans were finalised.

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It was suggested by the Chairman that a working group be set up to look in detail at the financial figures behind the scheme and report back to Cabinet.

### Public Sector Equality Duty

Members noted that consideration had been given to impacts under the public sector equality duty.

Resolved: That

- a) a working group consisting of, Cllrs Grint, Clayton, Manston, Malone and Scott be set up to look at the finances of the Scheme and report back to Cabinet on 16 July 2023
  
- b) it be recommended to Cabinet that the recommendations be endorsed.

### 10. Financial Monitoring 2023/24: Draft Outturn

The Head of Finance presented the report which covered the draft outturn for the financial year to March 2024 and which reported an unfavourable variance of £209,000. This Outturn would remain draft until the Financial Statements had been audited after which time the final position would be confirmed.

As part of the 2024/25 Budget process, the Council agreed that £165,000 additional grant funding from Government would be used to offset the 2023/24 deficit which would result in a revised unfavourable draft outturn of £44,000.

The financial year covered by the report had been a particularly challenging one. It had started with a £1.4m budget gap, and through significant work throughout the year, a number of savings had been achieved which had brought this initial budget gap down.

The unfavourable variances included the 2023/24 pay award, higher costs of running Direct Services with continuing high levels of waste, and additional costs from planning appeals. A number of measures had been implemented for Direct Services which should have a positive effect going forward.

The favourable variances included interest receipts with the returns in investments performing well due to higher interest rates and multi-assets funds. There were a number of vacancies not being filled across the organisation, where some of the vacancies were being offset by agency or consultant costs and others to deliver saving contributions to the overall financial position.

Members attention was also brought to the Leisure Contract and the draft outturn for 2023/24 was £1.050m due to a good performance and the receipt of the

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swimming pool grant. In regards to the capital programme, expenditure stood at £11.8m against an annual budget of £33m.

Members asked questions and were advised that overspends were being addressed within the budget process. Meeting Point was also being evaluated and reviewed. Members also took the opportunity to discuss the timings of when finances were evaluated against projects or strategies, noting in particular the waste collection review. Council internal investments were also discussed.

Resolved: That the report be noted.

### 11. Financial Performance Indicators 2023/24 to the end of March 2024

The Head of Finance presented the figures on nine internally set performance indicators covering activities that supported information provided in the regular financial monitoring statements. Two performance indicators were highlighted to Members including, Internal Audit which followed up on all audit findings as they were due. A number of actions across completed audits reviews had been deferred and would continue to be monitored to ensure they were delivered in accordance with the revised timescales. In regards to housing benefits, these related to the average number of days to process new claims and the number of days to process a change. The performance indicator was in calendar days and was impacted by staff sickness and vacancies.

Members considered the report.

Resolved: That the report be noted.

### 12. Work Plan

The work plan was noted.

THE MEETING WAS CONCLUDED AT 9.00 pm

CHAIRMAN