



Please ask for: Caroline Britt
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Reference:
Date: 5 November 2019

Dear All

FINANCE AND GOVERNANCE CABINET ADVISORY BOARD – TUESDAY 12 NOVEMBER 2019

I enclose, for consideration at the next meeting of the Finance and Governance Cabinet Advisory Board on Tuesday 12 November 2019, the following items that were unavailable when the agenda was published.

Agenda No Item

- 4 **Minutes of the meeting dated 1 October 2019** (Pages 3 - 8)
To approve the minutes of a previous meeting as a correct record. The only issue relating to the minutes that can be discussed is their accuracy.

Kind regards,
Caroline Britt
Democratic Services Officer

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FINANCE AND GOVERNANCE CABINET ADVISORY BOARD

Tuesday, 1 October 2019

**Present: Councillor Tom Dawlings (Chairman)
Councillors Scott (Vice-Chairman), Bailey, Chapelard, Everitt, Hayward, Hickey,
Horwood, Mrs Soyke, Holden and Reilly**

Officers in Attendance: Mark O'Callaghan (Scrutiny and Engagement Officer), Lee Colyer (Director of Finance, Policy and Development (Section 151 Officer)), Keith Trowell (Team Leader (Corporate Governance)), Caroline Britt (Democratic Services Officer), Paul Doherr (Architectural Surveyor) and John Antoniadis (Estates Manager)

Other Members in Attendance: Councillors Atkins

APOLOGIES FOR ABSENCE

FG44/19 There were no apologies for absence.

DECLARATIONS OF INTERESTS

FG45/19 There were no disclosable pecuniary or other significant interests declared at the meeting.

NOTIFICATION OF VISITING MEMBERS WISHING TO SPEAK

FG46/19 There were no visiting Members.

MINUTES OF THE MEETING DATED 05 SEPTEMBER 2019

FG47/19 Members reviewed the minutes. No amendments were proposed.

RESOLVED – That the minutes of the meeting dated 5 September 2019 be approved as a correct record.

MINUTES OF THE MEETING DATED 20 AUGUST 2019

FG48/19 Members reviewed the minutes. No amendments were proposed.

RESOLVED – That the minutes of the meeting dated 20 August 2019 be approved as a correct record.

WORK PROGRAMME AS AT 04 SEPTEMBER 2019

FG49/19 The continued use of plastic milk cartons and briefing packs provided in paper copies was noted.

Members considered the work programme. No amendments were proposed.

RESOLVED – That the work programme as at 4 September 2019 be noted.

MINOR MAINTENANCE AND RESPONSIVE REPAIRS TERM CONTRACTS 2020

FG50/19 Paul Doherr, Architectural Surveyor introduced this report that seeks approval to appoint contractors to carry out the minor maintenance and responsive repairs for the Council's properties for up to seven years beginning 1 January 2020.

Discussion and responses to member questions included the following matters:

- With respect to costs, it was confirmed that the majority of the prices received were within the anticipated amounts expected.
- Because maintenance was responsive, costs were estimated to allow contractors to bid. Budget would increase dependent on work required, but could only charge up to the prices in the National Schedule of Rates.
- Survey of all properties currently being undertaken to establish a more up to date maintenance programme – the results of which would inform forward planning and budget management.

Decision was made that included information contained in the Exempt Appendix taken as read.

RESOLVED – That the recommendations to Cabinet set out in the report be supported.

ROYAL VICTORIA PLACE TUNBRIDGE WELLS UPDATE

FG51/19 John Antonaides, Architectural Surveyor, introduced this report that seeks to notify Cabinet of the intention of the long leaseholder, British Land to undertake refurbishment works to Royal Victoria Place Shopping Centre. To note and confirm the Council's obligation to contribute towards the cost of such works as provided for under the terms of the long leasehold interest. To further note the proposed project programme to undertake the work, the estimated costs (including the Council's commitment to those costs), and associated legal requirements.

Discussion and responses to member questions included the following matters:

- The rent received by the Council was the base figure of £837,000 (guaranteed) and not a percentage of net rents as this would be a less.
- The planned refurbishment works alone would not provide sufficient rent to reach the guaranteed £837,000. This would require development works or a substantial change in the outlook of retail.
- British Land was solely responsible for payment of Ground Rent. Should British Land go bust, under the terms of the contract, others would be liable for the rent.
- Refurbishment of Ely Court was underway and due to be completed soon.
- Plans for the refurbishment received by British Land on acquisition was not fit for purpose. British Land had already invested £96m in order to obtain the leasehold so it was in their interest to consider options for redevelopment – to bring forward new initiatives and a move away from just retail to include more experience and leisure

based activities. The Council would provide support when the case came forward for consideration.

- It was important not only to consider new retailers, but to take account of existing retailers and their continued presence in the town. It was also important to encourage existing retailers to undertake their own refurbishment to bring current stock up to date and increase footfall.
- Investment by British Land and the Council would help protect the value of the Council's property asset.
- Confirmation that under the terms of the lease, the Council received all the income from car parking. Higher footfall in the Shopping Centre would increase car parking revenue - a benefit to the Council.
- Investment in the Shopping Centre would also result in an increased level in rents which was a direct contributor to the amount of business rates to be paid, the Council would then benefit in the increase of Business Rate Growth.
- As the long leaseholder, British Land would be accountable for the risk but the Council would have access to all the invoices so that spend could be monitored.
- Scheme running within agreed timeframe.

Decision was made that included information contained in the Exempt Appendix taken as read.

RESOLVED – That the recommendations to Cabinet set out in the report be supported.

BUDGET UPDATE REPORT 2020/21

FG52/19 Lee Colyer, Director of Finance, Policy and Development introduced this report, the second report in the process of setting next year's budget. Government's 4 year funding settlement had now ended. The Council did not receive any Revenue Support Grant and were therefore financially self sufficient. To make up the loss of Revenue Support Grant was to grow the local economy and share in the proceeds of Business Rate Growth. Details on priorities and services would be communicated on a regular basis.

Discussion and responses to member questions included the following matters:

- The Council was carrying a number of vacancies. The retention of existing staff was also a consideration that needed to be recognised. Work had been commissioned to look at salary points to ensure the Council was competitive.
- The 5 Year Plan included a number of major projects that the Council would continue to deliver. If the Council took the decision that one (or more) of those projects were no longer a priority, Officers would then need to reassess the financial implications.
- The Theatre had a current funding forecast of £250,000 in the medium term, this report had added an additional £100,000 to cover any further subsidy requirements.
- The financial performance of the Theatre was dependent on the success of Panto which was the largest influence on the overall success of the Theatre. The quarterly report to Cabinet would be the best place to look for details of its financial performance.
- £350,000 included in the Report does not include repairs. Repairs

were subject to a separate bidding process.

- Calverley Square had a separate funding strategy that didn't impact on the Council's Revenue Budget. If the Theatre closed, there would be associated costs, including redundancy payments and contract obligations with promoters – as such the £350,000 currently allocated would not be the amount saved on closure.

RESOLVED: That the recommendations to Cabinet set out in the report be supported.

ANNUAL AUDIT LETTER 2018/19

FG53/19 Lee Colyer, Director of Finance, Policy and Development introduced this report that assessed the Council's functions, including financial statements, value for money conclusion, the whole of Government Accounts, certification of grant claims and returns and the Audit fee. This work comes together in the form of an Annual Audit Letter. The Council were once again commended for its good governance and effective forward planning – the Council being given a clean bill of health – the 10th year in succession.

Discussion and responses to member questions included the following matters:

- It was agreed that in the future, the auditing profession was likely to come under far greater scrutiny with further changes in regulations, inspections and other requirements that would only manifest itself in higher fees. Current Audit contract had about 2 years remaining, so there was some initial protection in the short term.

RESOLVED – That the recommendations to Cabinet set out in the report be supported.

URGENT BUSINESS

FG54/19 There was no urgent business.

DATE OF THE NEXT MEETING

FG55/19 The date of the next meeting was scheduled for Tuesday 12 November at 6:30pm.

EXEMPT ITEMS

RESOLVED – That, pursuant to section 100A (4) of the Local Government Act 1972 and the Local Government (Access to Information) (Variation) Order 2006, the public be excluded from the meeting for the following items of business on the grounds that they may involve the disclosure of exempt information as defined in Schedule 12A of the Act, by virtue of the paragraphs shown below.

LAND ASSET STRATEGY SITE DISPOSAL

FG56/19 Report and appendices exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended): Information relating to the financial or business affairs of any particular person including the authority holding that information.

John Antonaides, Estates Manager introduced this exempt report to dispose of the land as identified in the report and to dispose of the site for best consideration.

RESOLVED – That the recommendation set out in the report be supported.

NOTES:

The meeting concluded at 7.35 pm.

An audio recording of this meeting is available on the Tunbridge Wells Borough Council website.

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