

27 September 2017	ITEM: 11
Council	
Report of the Cabinet Member for Finance & Legal	
Report of: Councillor Shane Hebb, Deputy Leader and Cabinet Member for Finance and Legal	
This report is Public	

Introduction by Cabinet Member

12 months ago, I set out a new direction of travel, which this report will aim to review and close the loop on.

Detailed below are the three overarching focuses my team and I have worked on since the Conservative administration was formed in May 2016. Included with these focuses are the key achievements made between then and now.

(1) We will stabilise the ship, and chart the course for a 30 year journey

- This focus was about ensuring that we lived within our means and started to chart to course to being a self-sufficient local authority
- Thurrock has lived within its means – we delivered £10m savings in 2016/17 and balanced the books; still protecting key front-line services
- Our General Fund Balance (Reserves) will increase by 0.460m, and further increase to a total of 9.26m by 2020/21
- A Finance Peer Review was completed – our pathway has been given the green-light in our self-sufficient aspirations
- Our External Audit has just passed our previous work, and our future intentions, with an unqualified outcome; similarly, with our Value for Money Assessment – our aspirations are standing the financial tests of the most reputable of due diligence bodies
- Thurrock’s first bottom-up assessment of council services started and is now one year in – the Council Spending Review. This has a view of determining the spend required in each department to deliver the services we legally have to, or decide as a borough, we want to if we can afford to do so

(2) We will be unashamedly pro-revenue growth –

- Commercial services – a notion rejected previously - has generated income growth and procurement savings of £2.5m in one year (representing a cost recovery ratio of 4.6 for the commercial services team)
- Money earned is money that does not have to be found from existing budget lines to balance the books, so we become withstanding to significant market changes in the future
- Each department that provides discretionary services now has “external income targets” to achieve. Just because we are a public body, it does not mean we should just explain away a lack of expected revenue at theatre venues etc. No, we must be tenacious as is the private sector – each pound coin lost, is a pound we have to find elsewhere

- We will review our “discretionary services” fees – are we charging what we should be; what the market is charging; are we over/under charging?

(3) We will enable this council to focus on the right things:

- This focus has been less about making us sufficient, but serving our customer’s needs in the way we rightly expect. Some may see Thurrock Council as a “provider”; this administration sees it from a different angle - we see residents as our “customers”. Our financial stewardship has retained weekly bin collections across the whole borough, for all three bin types
- Circa £1.5m has been found since the Conservatives took administration, by stretching MTFs saving targets, looking for more
- That £1.5m saved has been spent discretionally on our “Clean It – Cut It – Fill It” programme – we promised to clean Thurrock up, and are attending to what was neglected for too many years
- We have offered Thurrock residents a voice on the way Thurrock councillors are elected to represent them
- We have intensified coverage hours, and personified our communications presence through digital communications such as Twitter; expanded use of Facebook etc
- We have increased our digital offer for lowest paid and most vulnerable through securing broadband coverage at our local authority housing estates, where residents can benefit from good rates (better than market)

Renewal is key – we have to raise the bar intensely and frequently, so we get to where we want and need to be.

Therefore, I can also announce the following work streams, which are my department’s priority for the forthcoming time of the municipal year:

- (1) SELF-SUFFICIENT DESTINY:** We will eliminate the government-funding deficit of £20m by 2020 (plan for our council to be self-sufficient, and not dependant on government funding in the form of the Revenue Support Grant). Being truly self-sufficient means living within our means, reviewing our customer offer and aligning it to the needs of the borough, being commercial at core and unashamedly pro-revenue and making wise investments with sound return on investment. By achieving “£20m by 2020”, Thurrock could be in a position to look at self-funding parts its capital plan; increasing reserves, and being truly in command of its own destiny.
- (2) FUND THE RIGHT PRIORITIES:** this administration will continue the Council Spending Review, and will continue to reach for more savings in its efforts to generate member choice in future policy decision making. Following the Finance Peer Review in June 2017, we will take on board the learnings, and ensure a more robust, open and engaging process for all members, of all parties, to contribute to the formation of the “£20m by 2020” plan. We will also ensure that key desirables, such as investment in our green spaces etc. are made manifest by being “prudent with the pennies”, and putting money back into frontline initiatives – such as Clean it, Cut it, Fill it; Integrated Medical Centres etc.
- (3) BRINGING A BETTER BROADBAND TO OUR BOROUGH:** we will continue to work to close the gap on the last 5% without Superfast Broadband, and begin planning for borough-wide Hyperfast Broadband.

I will take the opportunity to acknowledge the work carried out by officer teams, including all members of staff across the entire organisation, who have played a part in ensuring Thurrock lives within its means. Financial management does not just come from one department – like Health & Safety, it is everyone's problem! Every employee of this council is playing his or her part and it is with that I thank you. I do take this moment to thank the council's Leadership Team who have shown incredible passion and pride over what they do. Thank you for your support too.

Politics in Thurrock is never dull – but last year saw some exceptional collaboration between political groups. This year we have some new faces at the table – my commitment to you is that the CSR will be inclusive, engaging and responsive as we move our borough forward.

My portfolio report covers the following functions:

- Finance (including corporate finance, counter intelligence and fraud, insurance/risk management)
- Revenues and benefits teams
- ICT and Digital
- Procurement and Commercial Services
- Legal (including members services, electoral services and democratic services)
- Strategy & Communications

CORPORATE FINANCE

► SERVICE OVERVIEW

Corporate Finance lead on the promotion and delivery of good financial management to ensure that the council's financial position is managed appropriately and public money is safeguarded.

► REVIEW OF THE PREVIOUS 12M / PERFORMANCE:

Thurrock Council, like most other councils, continue to have to be innovative to meet the financial demands upon it. Significant savings have been delivered in previous years and the council continues has one of two pathways to consider moving forward (1) a Council Spending Review and a commercial focus, or (2) service cuts, top down.

The 2016/17 financial outturn position was reported to Cabinet in July 2017, whereby we demonstrated that Thurrock had lived within its means for our first Administrative year. As noted in the report, the council managed a number of financial pressures such as demand-led social care pressures and pressures in waste collection. Furthermore, the Cabinet were aligned in the need for an injection of spending on improving the environment and road network around the borough – we injected a discretionary £0.6m into our “Clean It – Cut It – Fill It” programme, and furthermore this programme was formalised and made permanent under our watch, with £1m being made available for 2017/18. Thus demonstrating our Cabinet commitment to improving Thurrock as a Place, and by funding it appropriately.

The Housing Revenue Account balance has increased to £2.175m. General Fund balance was maintained at £8.0m and furthermore, the administration believed - following significant assessment - that our General Fund balance (reserves) needed increasing. Our proposal was implemented as of this year, increasing our reserves balance to £8.420m in 2017/18, with further rises planned of +420K in 2018/19 and 2019/20 – leaving a total figure of £9.26m by the end of the 2019/20 municipal year.

The most significant service pressure again related to Children's Services. Positive action has been taken through appointing iMPower to review Children's Social Service processes and cases with the aim of improving early intervention and thus reducing more costly placements. The £4m overspend we inherited in 2016/17, is down to a £1m overspend in 2017/18. Well done to all involved.

The council delivered a balanced position through a combination of service underspends and treasury management.

► FUTURE: COUNCIL SPENDING REVIEW

In 2016, the Administration launched a different approach to setting the Council's budget, the Council Spending Review (CSR). This was to move away from the previous approach of top-slicing service budgets but, instead, concentrates on: a commercial approach; more or same for less; and reducing the level of growth on demand led services. This is underpinned by a comprehensive review of all services.

The East of England Local Government Association (EELGA) carried out a Finance Peer Review in June of this year, looking at the council's financial position and the CSR process in particular. I am pleased to say that the review was positive and supported the process that we have put in place. There were some key recommendations that we will implement

including: making the process more consistent and transparent; the need to maximise the use of investment opportunities; and ensure that all Members are provided training covering local government finance and the budget setting process.

The key message is that we need to CONTINUE on our defined path, START a few new activities – but STOP nothing that we are currently doing. We are on the right path.

This year we intend to go further than ever before in identifying the budget options for the next three years – the period of the Medium Term Financial Strategy (MTFS). Lead in times need to be considered and more of a focus, and flexibility towards, investment opportunities. Further reports setting these approaches out will be forthcoming; the CSR will play a large role in this work.

► **FUTURE: CAPITAL PROGRAMME**

In February, the Council received not only the standard capital programme, but also a schedule of future and aspirational projects along with a development budget to bring forward costed business cases to develop schemes that have often been discussed but not progressed through to approval. Members will receive these over the coming months as part of the budget setting process.

► **FUTURE: NNDR REFORM**

Further specific details of the NNDR reforms, which we have heavily contributed to, were absent from the Queens Speech of the current parliament. Thurrock recognises that the reforms are a critical activity, and we continue to engage, inform and contribute to the proposals, that will come forward over the life cycle of the project.

► **FUTURE: CASHLESS SYSTEMS**

Our administration favour digital transactions over cash and cheque. While older forms of payment are still accepted, our work has been to encourage the use of digital techniques and methods in the first instance. A key focus is to pilot a migration to a cashless Parking Meter system; making full use of chip-and-pin and contactless systems. Most other councils that we will visit have already migrated to a variant of this, and so will we.

COUNTER-FRAUD & INVESTIGATION

► SERVICE OVERVIEW

The service delivers the council's annual counter-fraud strategy, working across the different directorates to improve business processes and better educate staff on the fraud risks the council faces. The service operates a trading model selling specialist crime fighting services to other public bodies.

► REVIEW OF THE PREVIOUS 12M

The Standards and Audit Committee received the annual report last week that sets out the many successes and partnerships that the counter fraud service has delivered whilst also receiving international recognition.

Key successes include:

- 3.81:1 ratio of detected fraud to cost
- The provision of the national specialist capabilities service
- The use of the Proceeds of Crime Act to recover monies from convicted fraudsters, over £128,000 has been recovered, with a further 3 cases awaiting an outcome
- The use of the Proceeds of Crime Act to restrict assets held by suspected fraudsters in order to maximise recovery during the court process
- Providing digital forensic expertise to police forces to successfully investigate 454 Electronic devices involved in online child abuse

► PERFORMANCE DATA

Reports of fraud received and under investigation:

- Housing fraud 316, under investigation 48
- Blue Badge 11, under investigation 10
- Social Care 6, under investigation 2
- Council Tax 97, under investigation 6
- Other 41, under investigation 25
- The unit have recovered 17 properties that were being fraudulently used; these have now been re-let to those in genuine need. The value of this fraud is £306,000; and
- Three right to buy applications have also been stopped, meaning that valuable social housing stock remains available and under the control of Thurrock Council

► FUTURE: FOCUSES, PROJECTS AND INITIATIVES

The council received central government funding to expand its centre of excellence in fighting complex crime in local government to other agencies. This approved model of providing support to councils and law enforcement agencies is continuing well. The last year has seen the function provide specialist expertise to 12 councils and three police forces around the United Kingdom.

This support includes providing expertise to tackle the most serious crime including online child abuse, organised money laundering and fraud.

National Specialist Capabilities Service

The national function that Thurrock provides not only positions Thurrock as the centre of excellence in complex crime reduction but means that in instances where criminals seek to attack Thurrock Council our response is the best it can be. The counter fraud manager has also spoken at the international Fraud & Corruption conference in Brisbane, Australia as a keynote speaker on the work Thurrock Council is leading on around the UK. Although the speech was delivered via Skype, the feedback from the conference attendees recognised the innovative work the section delivers.

As Cabinet Member for this department, I am keen to enhance relations with other local authorities and public sector bodies where there is a benefit of doing so.

My team work hard, to recover monies deceptively taken from the taxpayer, and ensure accountability is levied with the support of evidence etc. We are doing this, for the hard-working taxpayers who get up in the dark, get home in the dark, work shifts, pay their dues – and deserve for their hard earned taxes to not be illegally taken from the services that they pay for. My stance on fraud is clear – that people are individually responsible for the actions they take, and therefore accountable for doing so.

Well done to the team for getting the world-wide recognition they deserve.

RISK & INSURANCE

► SERVICE OVERVIEW

The Risk and Insurance team aim to maintain appropriate risk management, insurance and risk financing arrangements for the council.

► REVIEW OF THE PREVIOUS 12M

The Strategic/Corporate Risk and Opportunity Register is refreshed annually and has been regularly reviewed/reported to Standards & Audit Committee, Directors Board and Performance Board in line with the Risk and Opportunity Management Framework.

The council's contract for insurance has also been extended for two further years. At a time when premiums are generally increasing officers have negotiated a reduction that met targeted savings agreed through the Procurement Board.

► PERFORMANCE

The council uses the ALARM/CIPFA Risk Management framework to test the council's performance against good practice. The framework resembles the European Foundation for Quality Management model (EFQM) and breaks down risk management activity into seven strands with five focussed on enablers and two focussed on results.

For the 2016/17 review the Council has attained Level 4 - Embedded and integrated for the Enabler criteria and Level 3 - Working for the Results criteria.

► FUTURE

The service will look to further embed risk management into decision making and start the preparation towards a full insurance tender during 2018.

DIGITAL / ICT SERVICES

► SERVICE OVERVIEW

The ICT service is responsible for the delivery of digital, information and communication technologies (including telephony) for the council.

The scope of duties is aligned to the UK Government recognised Information Technology Infrastructure Library (ITIL) and currently includes: the Chief Technology Office; Operations; Change and Implementation; and Commercial.

► REVIEW OF PREVIOUS 12M

Over the last 12 months the ICT service has completed restructuring and is now positioned more strategically and commercially than when the function transferred to council stewardship at the end of 2015. The management team is in place and key achievements include:

- Publication of the “Connected Thurrock” Digital and IT Strategy;
- Successfully reduced the ICT revenue spend by £500k through driving efficiencies in resource cost, rationalisation of systems, and review of existing contracts; and
- Expanded our income generation targets from £150k per annum to £230k.

Whilst there has been a new strategic and commercial emphasis within the team, our overriding priority is to ensure that the council’s technology services are performant and fit for purpose. Our operational achievements for the year include:

- An improvement on baseline of 29% in staff satisfaction in the Information Technologies provided by the council in this year’s pulse survey;
- No major IT outages between 1 August 2016 and 31 July 2017. Our Capital Plan work on improving IT infrastructure has been locked down and secured;
- Replaced all interim contract resources covering business as usual duties with permanent staff. As part of this process we have created 2 apprentice positions;
- Replaced email filtering and archiving systems with a new cloud based solution. As well as enhancing the council’s cyber defences, this solution also allows the lifting of restrictions on mailbox sizes, which has been a significant problem for some; and
- Replaced the Multi-Function Device estate, improving performance and reducing overall costs.

► PERFORMANCE DATA

There are no formal corporate performance measurements for ICT, however the service continue to track performance against a subset of the KPIs that were reported during the period of the Strategic Services Partnership.

The following table shows the average of monthly performance against those measures in the period August 2016 to June 2017.

Title	Target	2015/16	2016/17
The availability of all servers and specified critical / core applications and services - AVAILABILITY OF NETWORKS	99.50%	98.95%	99.76%
The aggregate percentage of up time for Libraries connected to the LAN within working hours	99.50%	95.97%*	99.10%*
The availability of all servers and specified critical / core applications and services - AVAILABILITY OF SERVERS	99.50%	99.86%	99.89%
Percentage of Helpdesk tasks to be resolved within agreed priorities/targets	85.00%	89.23%	91.77%
Customer Satisfaction on Helpdesk service	6.00	6.50	6.63
*The red measures against libraries were attributable to the vandalism of East Tilbury Library, and a power cut at Stanford Library that impacted the whole site.			

► ACTION PLAN FOR “FAILED” PERFORMANCE MEASURES 2015/16

The “missed” measures are because our monitoring systems make no distinction between planned outages (e.g. where a site is being refurbished) and unplanned outages. Improved monitoring capability is scheduled to be delivered as part of the strategic infrastructure programme

► FUTURE: CITIZEN JOURNEYS

Last year ICT committed to delivering a new Contact Centre telephone system. A replacement solution has been sourced that is fully digital and provides capability to integrate with email and web chat technologies, thus providing a platform to deliver the multi-channel aspirations of our customer services strategy.

► FUTURE: HIGH AVAILABILITY

Over the last year, officers have been developing a plan to deliver an infrastructure that will support a digital council that operates 24 hours a day, 7 days a week. The Digital Strategy sets an aspiration of achieving 99.9% availability – up from the current 99.5%. Key elements of this plan include:

- **Back up and Disaster Recovery** – the council’s offsite disaster recovery capability (currently hosted at Southend Council) will be upgraded to ensure that in the event of a catastrophic failure, at least 50% of users will be able to access 100% of services within 24 hours. The existing tape based back-ups will be replaced by a modern disc based solution
- **End User Computing** – ICT are looking to replace the current equipment with modern “hyper-converged” technology. An internal pilot has been run and the results indicate that the new infrastructure will yield significant improvements in log in times and day to day performance
- **Datacentre Resilience** – the existing Civic Offices server infrastructure will be moved into a newly fitted out space, with modern power distribution and air conditioning. There are dependencies on the wider strategic plans for the ground floor refit
- **Enterprise Monitoring** – The implementation of advanced monitoring will allow for a problem to be identified as soon as it occurs without having to wait for someone to report it. It will also allow for individual components to be monitored against performance thresholds, allowing officers to take pre-emptive action before a full failure can occur

- **High Availability Infrastructure** – One major shortcoming in our current set up is the inability to test changes before they are put live. New test environments will be created to cover the key areas of the infrastructure
- **Cyber Security** – Awareness of cyber security has increased this year through a number of high profile attacks on public institutions. Our infrastructure is being designed to be compliant with the government’s cyber essentials plus accreditation. Specific areas we are focussing on are managing the application of security patches, as well as improving our intruder detection capability

Work is already underway on the Monitoring and Cyber Security areas as these provide the quickest operational benefits. It is expected that all the strategic infrastructure work will be completed by the end of 2019

► **FUTURE: SMARTER WORKING**

- Following this year’s successful trial, services are starting to adopt new generation “2 in 1” machines which can be used as laptops or tablets. Officers continue to explore other devices that could form part of the “Choose Your Own Device” catalogue, and are starting to review the infrastructure changes that these devices force (such as improved access to wifi)
- Capital funding was also secured in 2017/18 to fit all meeting rooms in Civic Offices that can accommodate 6 people or more with full web and voice conferencing capability. This project is currently underway and when complete will reduce the need for officers to physically attend site for meetings; and
- A refresh of the council’s mobile phone estate has commenced, and new devices are being issued with enhanced data plans to facilitate mobile working

► **FUTURE: CONNECTED PLACE**

The Connected Thurrock Digital and IT Strategy recognised for the first time the Council’s potential role in delivering a local digital offering as part of a wider place making responsibility. If the council is going to become more digital it is essential that residents are not excluded from accessing services – in fact, we see residents, businesses, volunteer groups and public sector bodies as one family who would want to move forward together; alongside each other, on this matter.

The administration have a key focus; the pockets of the borough that do not yet have access to Superfast Broadband – noticeably significant parts of East Tilbury and Orsett. Officers in ICT and Commercial Services, at request, have been exploring a number of options with commercial providers to resolve this problem and have set a target of the end of the calendar year to have a solution secured.

This is in addition to the innovative work we have implemented at some of our local authority housing stock estates – the HyperOptic partnership. HyperOptic will install broadband infrastructure in a number of sites, allowing local residents to benefit from comparable broadband connection speeds; at a competitive cost. All this, with no spend from the council – this has been a cost-neutral, collaboration between interested parties and partners, and will increase superfast broadband speed coverage across the borough. This will support the social digital inclusion needs of residents on low incomes in being able to access high speed, affordable and future proof broadband services – making Thurrock truly

a borough which works for everyone. The programme went live 24 August 2017 at Marine River Court with residents already actively choosing to take up the offer.

In addition, officers have been looking to the future and are developing plans for a borough wide public digital infrastructure that will underpin the delivery of all public services, but also act as a catalyst for developing Thurrock as a “Smart Place”, ready for the new wave of technologies that are due to emerge in the next few years, including assistive care technologies, advanced environmental monitoring, traffic management, connected vehicles, and pay as you go environmental charging. That is not to say that all of these capabilities will be required in Thurrock, but we will be in a position to adopt them if they are.

REVENUES & BENEFITS / COLLECTIONS

► COUNCIL TAX - REVIEW OF PREVIOUS 12M

The service aims to maximise income through efficient billing, better detection of fraud and error and firm but fair recovery. In order to support this, the team has been undertaking various activities to increase the detection of fraud and error within the base and have recently completed an exercise with ‘Capacity Grid’ to identify accounts where single person discounts were being incorrectly claimed. The review resulted in the removal of over 600 single person discounts, generating an annual saving of £300k.

I recognise that life is busy, and some people may have forgotten to update their records. They are encouraged to use our online MyAccount service to update records. Residents should note that they are liable for full payment of council tax – it is always best to update records as soon as possible; hence why our MyAccount service offers 24/7 access, so to give those who cannot make contact in normal “office” hours, the chance to do so.

In terms of reducing operational costs, the team has further enhanced the E-services available with the introduction of e-billing in September 2017. Currently we have 5,066 Council Tax payers who have opted for e-billing with a total of 15,000 registered with my account.

► PERFORMANCE DATA

For 2016/17 Thurrock collected further improved its collection rates for Council Tax to achieve an in year collection rate of 98.94%. Whilst we await publication of national results, it is envisaged these results will again place Thurrock among the top performing councils.

► COUNCIL TAX – FUTURE

The recent Debt Service Review service focused on how we can maintain the excellent collection rates whilst further improving efficiency and targeted advice to those people experiencing genuine difficulties. As a result of the initial findings a further piece of work has commenced to investigate the Business Case for technology enhancements to enable a single view of debt across council services and to provide a process that can better differentiate between those that “Can’t pay” and those who “Won’t” pay – including outreach ability to make discussions between council and residents who are not up to date easier, more fluid, and less formal.

Further to this we are engaging with external organisations such as Citizens Advice and the Institute of Revenues Rating and Valuation to review current practices and consider recommendations for further enhancements.

I believe in “compassionate collections” – people owe council tax, and some who “can’t” pay, can benefit from discretionary components of our collections services, and I encourage them to make contact ASAP, as confronting an issue quickly stops things from becoming a bigger debt burden later on.

In regards to those who “won’t” pay, you have the same services and options to use as those who “can”. Note that I have asked my officer team to explore in more detail the potential use of the “Committal” process for those that won’t pay, those who habitually do not pay their council tax dues. This could have an end result of prison sentences for those who chose not to pay and evade the system. Holding back council tax means we cannot fund bin emptying; social service care packages; grass cutting. Everyone has to pay their dues – it is not fair that most do, while a few others do not. However, my officers do recognise those that have financial pressures and I have asked officers to review the Fair Debt Policy to ensure that it is still fit for purpose and offers the appropriate support and protection. I want there to be cross-party input on this entire piece of work.

► NATIONAL NON-DOMESTIC RATES (NNDR) - REVIEW OF PREVIOUS 12M

The business rates revaluation came into effect on 1 April 2017 and re-assessed all business properties in England and Wales based on rental value as at 1 April 2015. It has been a full seven years since business rates were last assessed. All bills were issued in accordance with the list and the transitional scheme applied to all businesses where applicable. In conjunction with this the government introduced new initiatives to support businesses:

- The Small Business Rate Relief threshold was increased from £6,000 to £12,000 with a tapered relief from £12,000 to £15,000. This meant that sole traders with a rateable value below £12,000 would pay no business rates; and
- Businesses with a rateable value of £51,000 or less will benefit from having their rates payable calculated on the lower multiplier

These changes were implemented at the time of annual billing.

► PERFORMANCE DATA

Regarding collection, Thurrock achieved an excellent in year collection rate 99.74% which again is expected to place Thurrock amongst the top performing Councils in the country.

► NATIONAL NON-DOMESTIC RATES (NNDR) - FUTURE

The Government has introduced 3 further schemes to support those businesses that have felt the impact of the revaluation more than others. These changes have required both guidance to be issued and software changes and so are expected to be delivered in the second half of the year.

The 3 new schemes are as follows:

- Supporting small business – The relief will ensure that the increase per year in bills of qualifying ratepayers is limited;
- Public House relief – This provides a relief of £1,000 for one year only for eligible public houses who have a rateable value of less than £100,000. Initial reports have identified 45 pubs that will potentially qualify and these are being contacted to submit an application; and
- Discretionary business rate relief scheme – the government has made available a discretionary fund of £300M over four years from 2017/18 to support businesses that face the steepest increases in business rates as a result of revaluation. Thurrock's allocation of this funding is £632K, apportioned over the next 4 years as follows:

2017/18 £368K	2018/19 £179K	2019/20 £74K	2020/21 £11K
---------------	---------------	--------------	--------------

In line with government guidelines, officers are in the process of designing a draft scheme that will support those businesses and locations within the borough that are in greatest need.

By 1 April 2018 all business ratepayers will be able to have the option of E-Billing thus they can receive an electronic bill rather than paper.

► SUNDRY DEBTORS - REVIEW OF PREVIOUS 12M

The team have been focusing on streamlining processes and using the current functionality and existing reports in Oracle to increase efficiency and reduce manual workload. This has led to a reduction in posts / cost saving.

► SUNDRY DEBTORS – FUTURE

Future focus is on reducing the manual input and administration required when processing invoices.

► HOUSING BENEFITS - REVIEW OF PREVIOUS 12M

The Department for Work and Pensions (DWP) implemented the next phase of the Benefit Cap which reduced the total amount of Benefits unemployed households can claim to £385 per week for a household with children and £258 per week for single claimants.

As a result the number of claimants in Thurrock affected by the cap increased by approximately 270 to currently stand at to 332.

In order to provide assistance to families affected by the reforms the Government increased the amount it provides in respect of Discretionary Housing Payments by £130k to provide a total allocation for the current year of £533k

Despite the increased workload associated with the reforms performance remains strong with New Claims being processed within an average of 18 days and changes in circumstance in under 5 days.

► HOUSING BENEFITS - FUTURE

The roll out of Universal Credit, which commenced in Thurrock on 16 March 2015 for single people of working age, will proceed to full rollout in October.

This next phase will see working age families with less than 3 children moved to Universal Credit when they either make a new claim for unemployment support or submit a change in circumstance. The Government has stated that the migration of existing Working Age claimants will be completed by 2022.

It should be noted that whilst the DWP will administer Universal Credit the Thurrock Benefits team will still be responsible for processing claims for Local Council Tax Support and Housing Benefit for pensioners and some other groups.

INTERNAL AUDIT

► SERVICE OVERVIEW

Internal Audit is an independent assurance function that primarily operates in accordance with best practice professional standards and guidelines. It reviews on a continuous basis, the extent to which the internal control environment supports and promotes the achievement of the Council's objectives, and contributes to the proper, economic, efficient and effective use of resources

► REVIEW OF PREVIOUS 12M

The previous twelve months saw a review of the section resulting in a move from contracting in support to increasing the establishment by two FTE that has resulted in an additional 400 audit days.

The Internal Audit team has provided regular reports to the Standards and Audit Committee on the work carried out and key findings.

► PERFORMANCE DATA

Internal Audit issued twenty Final Reports in 2016/17 and supported sections and the counter fraud functions in a number of areas.

► FUTURE

The 2017/18 plan was developed following meetings with relevant Directors and Heads of Service and covers operations across all the Council's directorates. It takes into account the key risks identified within the Council's Corporate Risk Register as well as the External Auditor's Annual Audit and Inspection Letter, the Annual Governance Statement and the Annual Governance Report. New issues and potential emerging risks were also identified and discussed with senior management. The 2017/18 annual plan and 3 year strategy was discussed and agreed with members of the Standards & Audit Committee on 28 February 2017.

FINANCE AND IT DIRECTORATE BUDGET CONTROL

► FINANCIAL INFORMATION – 2017/18

Service Area	Full Year Budget £	Full Year Forecast £	Variance £
Finance	3,770,241	3,909,241	139,000
IT	3,840,791	3,542,633	(298,158)
Total	7,611,032	7,451,874	(159,158)

► TREASURY – 2017/18

	Full Year Budget £000	Full Year Forecast £000	Variance £000
Interest & Fees Payable on External Debt	4,113	4,113	0
Interest Receivable on Investments	(5,538)	(6,703)	(1,165)
Net Interest	(1,425)	(2,590)	(1,165)
MRP	4,562	4,562	0
Total	3,137	1,972	(1,165)

COMMERCIAL & PROCUREMENT SERVICES

▶ SERVICE OVERVIEW

The Commercial Services directorate, is a relatively new inception, designed primarily to secure income generation from a range of services, and to do business and collaborate with others, so to provide a positive outcome for Thurrock, its residents, and our general fund.

Commercial Services lead on the promotion and delivery of best practice in business development and procurement practices across the Council, building on the cultural shift within Thurrock Council to create a commercially astute Council that delivers innovative and entrepreneurial outcomes. The service leads on all procurement processes across the Council and is the key enabler for ensuring the delivery of existing income generating commitments and identifying additional income streams in line with agreed commercial principles.

In April 2017 the Commercial & Procurement Services team changed reporting line to the Director for Commercial Services. It has been moved to the remit of the Director of Commercial Services specifically so that competition and a good deal is forthright in all decision making and impartiality of process is maintained. It consists of a team of eleven officers at a cost of £549k, in view of the significant returns delivered by the team in both income generation and contract saving accrued, this represents a positive annual return on investment

▶ REVIEW OF THE PREVIOUS 12M

Thurrock Council commenced its commercial journey in 2016, and there has been a step change in mind-set across the Council. The newly launched Commercial and Procurement Board, chaired by the Director of Commercial Services identified an additional £1.03m of income growth for 17/18 and continues to explore and monitor commercial opportunities. In addition, the Commercial Board oversees delivery of the council's annual external income (£10.4m for 2017/18.)

During the year, commercial design principles have been created under the guidance of the Deputy Leader and Cabinet Member for Finance and during the year each service area was assessed against the principles to consider the most commercially effective method of delivery. The commercial principles now contribute to the wider Thurrock Service Transformation Programme that is currently underway across the council, which is part of the wider Council Spending Review programme (CSR).

The Commercial Services' service review was completed in April 2017 and the restructure concluded by 1 July 2017. Key outcomes from the service review were:

- Extend service remit to provide comprehensive oversight and supervision of the contract management process across the council
- Implement a category management structure to provide further value to all service directorates
- Procure & implement a full end to end e-Tendering and contract management system across the council and improve the efficiency of procure to pay processes and set up
- Action and report a suite of Key Performance Indicators for both procurement and commercial operations

- Creation of a contract management post to further manage the value and effectiveness of contracts post award

During the year, 305 discrete procurement exercises were carried out compared to 273 the year before (11% increase.) It is worthy of note that there were zero challenges from bidders of suppliers during this period.

The HyperOptic partnership has been a cross-collaboration not just between Thurrock and HyperOptic, but also between departments. The Commercial and IT departments have collaborated and executed this work in a great display of effectiveness; and I want to pay specific congratulations to both teams for achieving what was set out to be done.

► PERFORMANCE DATA

With regard to Commercial Services “managed” procurement the following savings during the previous 12 months are to be noted and represent a cost recovery of the Commercial Services team of 2.7

- £1.2m per annum (25% reduction) for the Healthy Families contract from September 2017. This has been achieved through a competitive tender exercise using a specification that supported innovation and change but maintains high quality outcomes for children and families
- £154k per annum (12.5% reduction) for the Adults Integrated Substance Misuse Treatment services from April 2017. Using a competitive process and revised specification officers are confident of a high-quality outcome
- £150k per annum (20% reduction) for the Healthy Lifestyles Contract from April 2017. Using a Lead Provider Model where the management and assessment of need is carried out centrally, but support services are additionally provided in various locations can by different groups/organisations. This delivers better value and ensures that services are targeted to the right individuals without duplication. Furthermore, the contract operates on a payment by achievement model.

► EXTERNAL INCOME MONITORING

As at the end of July 2017, the full year forecast for external income is reporting a £109k shortfall – although note that some departments have exceeded expectations at this stage.

Directorate	Actual 2016/17(£k)	Budget 2017/18(£k)	Forecast at P4 2017/18 (£k)	Variance (£k)
Adults, Housing and Health	308	217	255	(37)
Children’s Services	4,395	5,017	4,858	159
Environment & Place	5,273	5,107	5,049	58
Housing (GF)	149	79	149	(70)
Legal	3	92	93	1
TOTAL	10,129	10,512	10,403	109

Monthly scrutiny of the external income forecast is undertaken by the Commercial & Procurement Board to investigate further, review income expectations and close down gaps. This is a new focus for council under the Commercial arm.

▶ FUTURE

▶ Procurement Strategy & Principles

To complement the work already undertaken with regard to the commercial principles, a programme of work will commence to create a set of procurement principles for the council.

▶ Delivery of a Commercially Oriented Digital Strategy

The Commercial Services team will continue to work closely with the ICT team to embed and progress Connected Thurrock, the council's Digital and IT strategy. Key projects that are of note are summarised below:-

- The team are working with external partners to ensure that the last 5% of residents in rural areas have access to broadband coverage (as detailed further in the IT section of this report)
- Discussions are underway with external companies to award a concession contract for small cell and Wi-Fi infrastructure. The anticipated income for the award is circa £50 - £70k per annum
- Ultrafast Thurrock: In addition, a business plan is in progress with a view to go to market at the end of 2017 to ensure ultrafast broadband is a reality within Thurrock

▶ Deep Dive of Fees & Charges 2018/19

During the summer/autumn of 2017 a deep dive of all of Thurrock's fees and charges will commence and fee setting for all discretionary charges will be assessed against the council's commercial principles.

▶ FINANCIAL INFORMATION – 2017/18

Service Area	Full Year Budget £	Full Year Forecast £	Variance £
Commercial Services	548,679	548,679	0
Total	548,679	548,679	0

STRATEGY & COMMUNICATIONS

► SERVICE OVERVIEW

This portfolio covers the council's corporate strategy and communications functions including vision and priorities, media liaison (proactive and reactive), social media, marketing campaigns, design and the council's website.

► REVIEW OF THE PREVIOUS 12M

Our approach to communications has changed over the last year in line with the council's overall approach to digital and channel shift in the new Digital and Customer Services strategies.

Media/press releases are issued proactively to celebrate good news, communicate important messages to residents and share key decisions after meetings such as Cabinet and Council. 130 releases were issued between 1 April and mid - August 2017. The team also responds to enquiries from the media on a daily basis. The team has seen a significant increase in the number of media enquiries over the last few months. Between 1 April and end of August 2017 the team responded to approximately 180 media enquiries – averaging at eight a week, with approximately 50 enquiries in August alone.

The Communications Strategy, which was approved at Cabinet, was subject to a Call-In to Corporate Overview & Scrutiny. This was discussed at the most recent meeting of the committee held on 19 September 2017.

To support members, the team offered media training sessions to Cabinet members, Chairs and Vice Chairs of Overview and Scrutiny Committees, and Planning and Licencing Committees. This included media awareness as well as practical interview training led by nationally recognised journalists.

A number of priority communications campaigns have taken place including:

- Clean it, Cut it, Fill it
- social worker recruitment
- route optimisation
- Thameside Theatre events
- My Account
- Fostering

Social media use has increased in recent months with a proactive approach including posting press releases, campaign information, events, and sharing both promotional and emergency information from partners such as health and police. This has seen an increase in people engaging with the council's pages.

- 10,500 Twitter followers
- 3,000 Facebook likes
- 2,000 LinkedIn followers

I believe that social media is a key pathway into busy lives – we recognise that people do not have the time to be sitting at home on the internet browsing what is happening in Thurrock anymore. Therefore, we have introduced bite-sized updates and information which can be read during a spare five minutes on Facebook, Twitter etc. Permeating busy

lifestyles is difficult – this is one of our approaches to providing useful information in real-time.

Thurrock News, a monthly e-newsletter, was introduced in October 2016 as an additional communication channel to complement the use of other channels. This is now a regular email communication that 12,000 residents have signed-up to receive, and again, displays and provides basic information and news relevant to our borough.

The first resident survey in six years was undertaken in November 2016 and feedback from the 1,000 responses we received has fed into the ongoing work on refreshing the vision and corporate priorities. Furthermore, this survey allows us to do a “You Said, We Did” comparison, year on year. Elections are not the only gauge of public mood, and it is key to sense-check performance at a corporate level to ensure that priorities are being moved forward.

► FUTURE

The current vision and priorities are in the process of being updated to reflect the uniqueness of Thurrock, where we are now, our ambition for delivery and balancing the need for growth with quality of life. The Vision and Priorities Working Group includes members from across the political parties as well as representatives from voluntary sector, tenants, business and partners, and with their backing, I hope to recommend an updated vision and set of priorities to Council later this municipal year. The Working Group that has been set-up has been useful thus far and we will be sharing the latest draft for wider engagement shortly.

The team is looking at possibilities for generating income. £70k income is anticipated in 2017/18 from the roundabout sponsorship scheme, which has been very successful since its launch in January 2017. Additional opportunities are being considered around income from filming in Thurrock. This is currently done on an ad hoc basis, but a business case is being developed to put in place arrangements to maximise the diverse range of locations Thurrock can boast.

► FINANCIAL INFORMATION – 2017/18

Service Area	Full Year Budget £000	Full Year Forecast £000	Variance £000
Communications	404,837	404,837	0
Total	404,837	404,837	0

LEGAL SERVICES

▶ SERVICE OVERVIEW

The Legal Services directorate includes the shared legal services team, democratic services, members' services and electoral services.

▶ REVIEW OF THE PREVIOUS 12 MONTHS

▶ LEGAL SERVICES

The Legal Shared Service (**BDTLegal**) has now been successfully established for over 6 years. The team continues to enhance Thurrock's region wide reputation through building increased legal capacity, resilience and internal expertise which has resulted in both significant savings and – even more importantly – become the first successful generator of traded income for the council.

A joint Legal Services Manager was recently recruited in order to improve services, build in extra capacity and responsiveness and to help drive forward our commercialisation and income generation agenda, in full alignment with our commercial focus as set from the 2016/17 municipal year.

The Legal Service is now into its ninth year as a top performing Legal Service by The Law Society for Lexcel Accreditation, which recognises legal practices who meet the highest management and customer care standards and show excellence in areas such as client care, case management and risk management. Furthermore, the team were finalists in the MJ Awards Legal Team of the year against strong competition.

We are providing bespoke legal services on a traded basis to a range of public sector clients, such as East London Waste Authority and Brentwood Council, generating income of £500,000 for 2016/2017.

We have responded to the ongoing change and efficiency drive by creating an agile and resilient multi-disciplinary team with a strong blend of public sector and commercial expertise. The key distinguishing features are:

- an alliance of teams to create a single cross-boundary force of excellence in practice, competence and capability
- built in resilience with a lower cost base and profits reinvested in the public sector
- collaboration with clients and staff to deliver a programme of transformation, development and training

▶ PERFORMANCE EXAMPLES

Within children's legal safeguarding, a specialist team has been created with three dedicated advocates ensuring 95% of advocacy is covered in house, saving the council approximately £200,000. This enabled:

- expansion to support neighbouring boroughs' child care hearings
- reduced external legal spend
- increased retained income in the public sector

The contracts procurement team has assisted with Thurrock's legal contracts and procurement and has advised on a wide range of matters, spanning all directorates within the council, including:-

- a number of innovative adult social care contracts
- Shared Lives
- completion of a grant agreement with a not-for-profit organisation which specialises in providing domestic energy efficiency advice and packages
- council's corporate cleaning contract

The litigation, housing, education & adults Team has assisted with:

- home to school transport policy review
- Ongoing assistance with Special Education Needs cases, which are becoming more complex
- A significant increase in planning prosecutions
- Successful pursuit of historic debts in adult social care debt
- Continued support to HR function has resulted in few employment tribunal claims

The property & regeneration team have been involved in the following notable matters over the last year including:

- Assisting tenants to become home owners through Right to Buy scheme. There have been more than 126 completions of freehold and leasehold properties since September 2016
- Completing the lease for the Treetops Special Educational Needs School, enabling the school to fulfil its wish to convert to academy status
- A number of planning agreements including the intu northern extension 106 agreement that will lead to 1,700 temporary construction jobs and 2,900 net additional jobs at intu Lakeside
- Leases of council property including Grays Beach Café and Seabrooke Rise Community House

The governance team continues to build its regional reputation and income generation with its regular briefings on key developments, training courses and governance advice. The team continues to publish in national legal journals, and maintains a regional presence with our annual Governance Conference being attended by over 50 delegates from 33 authorities.

"Excellent. The course was very useful. They clearly know their stuff. Presentation and venue good". **Delegate feedback on governance course run by BDT on 16 May 2017**

"We have worked with BDT Legal over the years on their excellent contributions to our editorial content relating to subjects of governance practice and consultation. They have looked at new developments such as the law relating to drones." **Phillip Holt, Editor, Local Government Lawyer Magazine**

This and the development of other initiatives such as public facing website, setting up and chairing a Thames Estuary Special Interest Group of lawyers from 15 authorities north and south of the Thames and developing a supportive third sector legal offer to local charities and the voluntary sector as well as developing a webinar programme of training courses and pilot for will drafting service.

Traded Services

The Legal Shared Service Team is now into its fourth year of providing a full legal service offer to Brentwood District Council. This includes legal support across the full range of a district council's responsibilities. This work has been undertaken on a fee traded basis and has now been extended into next year 2018 with a view to a long term contract.

The team has also successfully provided legal services to East London Waste Authority, Westminster, Lea Valley Regional Park and Redbridge councils on a fee traded basis and continue to be approached by a range of other authorities interested in learning lessons on shared working, especially in Essex.

▶ DEMOCRATIC SERVICES

Democratic Services continues to provide support to public committees at the council. From August 2017 the team will be back to a full staff complement. In addition to the day to day work, the team is progressing a number of longer term projects including the introduction of a fully online Member Training Portal, which could also be developed to provide traded income from other councils wishing products such as Members webinars.

Since last year one further member of staff has completed their professional qualifications in Democratic Services.

The team are continuing to introduce new ways of working to improve efficiency within the committee system.

▶ ELECTORAL SERVICES

Following the busy election period of May and June 2016, Electoral Services undertook the statutory annual canvass and published the revised register on 1 December 2016. 2017 was a planned fallow year and in the first three months of 2017 the team undertook to:

- prepare for forthcoming elections in 2018
- audit, prepare and replace equipment for elections within the budget
- prepare for elections in 2018

The team also extensively 'data mined' using other local authority data sources to keep the electoral register up to date on a monthly basis and encourage residents to register to vote when they move or become eligible.

The team also successfully delivered the poll for the Parliamentary (General) Election on 8 June 2017. Between 1/5/2017 and 30/06/2017 the team dealt with:

- over 2,500 telephone calls directly into the elections office
- 3,464 new electors were added to the register specifically for the General Election
- 1,631 duplicate applications
- 1,718 new postal vote applications
- 298 proxy vote applications

The team began planning for the statutory annual canvass in June and revised the commencement date due to the Parliamentary Election. This will not impact on the

completion of the project which began in August and will result in the publication of the revised register on 1 December 2017 (unless there is an election during the canvass period).

Following the programme of work I articulated in June 2017, and following the subsequent motion alternative that was agreed by Full Council the following month, Thurrock Council has written to HM Government to call upon the Government to introduce legislation to provide for a right of recall of local government councillors, alongside Thurrock Council also exploring the possibilities to introduce its own recall scheme.

If changes were implemented – then should a councillor fall foul of an agreed set of criteria – like not attending meetings, conviction of a crime or breaching the members code of conduct - voters would have the choice to recall their representative and go to the ballot box to choose another candidate. Thurrock is leading on this piece of work, and we will work with DCLG to realise our aims over the coming months.

Planning for the elections in May 2018 will run consecutively with the annual canvass and polling stations and essential bookings are already taking place in preparation.

Earlier this year, we undertook a consultation which asked Thurrock whether or not the borough should change its model for electing councillors – to either change from 2018 to a “four yearly” model, or to retain the status quo. The arguments presented by this council were equally balanced and articulated the positives and negatives of each model. The outcome of this work, and specifically a recommendation to migrate to the “four yearly” model would have been heard by the time this report is put to Full Council for discussion; thus setting the pathway for the 2018 elections, of which either outcome is accounted for in the logistical arrangements being put in train.

► FUTURE

The shared service with the LB Barking & Dagenham continues to deserve full and proper recognition for its early embracing of the need to become financially self-sustainable. This report again provides details of the income generated by the Legal team in terms of income versus cost to the council.

The next steps on the road to a full commercial arm and approach, where income generation potential is no longer restrained to merely traditional local-government practice are:

- Embedding the new formal collaboration agreement that has formalised the shared arrangement with a detailed strategic business development plan
- Continuing to aggressively to identify trading opportunities through a robust marketing plan and a greater use of available legal powers to target new public sector clients and a wider public service by expanding non-regulated legal services to residents such as will drafting and employment law advice
- And finally building on a proven nuanced and commercial approach to increase traded income

The Democratic Services team are continuing to introduce new ways of working to improve efficiency within the committee system and generate traded income.

► FINANCIAL INFORMATION – 2017/18

Service Area	Full Year Budget £	Full Year Forecast £	Variance £
Legal Services	1,565,621	1,565,621	0
Democratic Services	186,169	186,169	0
Electoral Services	435,377	435,377	0
Total	2,187,167	2,187,167	0