

Dear Councillor,

Council - 24 February 2016

I enclose for consideration at the Council meeting on 24 February 2016, the following report and appendices in relation to 'Item 11 - General Fund Budget Proposals'.

Unfortunately an earlier version of the report was printed in the original agenda and as a result I enclose the correct version for your consideration. Hard copies will also be tabled at the meeting.

I apologise for any inconvenience this may cause.

11 General Fund Budget Proposals

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Yours sincerely,

Democratic Services

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24 February 2016	ITEM: 11
Council	
General Fund Budget Proposals	
Wards and communities affected: All	Key Decision: Key
Report of: Councillor John Kent, Leader of the Council	
Accountable Head of Service: Sean Clark, Director of Finance and IT	
Accountable Director: Lyn Carpenter, Chief Executive	
This report is Public	

Executive Summary

There have been a number of reports considered by Cabinet throughout the municipal year on the projected financial positions for 2015/16, 2016/17 and the medium term.

The report considered by Cabinet on 10 February 2016 reported a balanced budget for 2016/17 but continuing budget pressures for the period 2017/18 – 2019/20. In the absence of a Council Tax freeze grant going forward, this report recommends that the Council increases Council Tax by:

2% towards the cost of Adult Social Care; and

1.99% towards the cost of all services provided by the Council.

The report also sets out the proposals for the Capital Programme for 2016/17.

1. Recommendation(s):

That the Council:

- 1.1 **Considers and acknowledges the Section 151 Officer's (Director of Finance and IT's) report on the robustness of the proposed budget, the adequacy of the Council's reserves and the Reserves Strategy as set out in Appendix 1, including the conditions upon which the following recommendations are made;**
- 1.2 **Following the recommendations of Corporate Overview and Scrutiny and the Cabinet, agree to a 2% Council Tax increase in respect of Adult Social Care;**

- 1.3 Following the recommendations of Corporate Overview and Scrutiny and the Cabinet, agree to a 1.99% Council Tax increase in support of the general budget;**
- 1.4 Approve a General Fund net revenue budget for 2016/17 of £110,289,954 allocated to services as set out in paragraph 5.3;**
- 1.5 That Cabinet recommend to Council that delegation be granted to the Director of Finance and IT, in consultation with the Chief Executive and Leader of the Council, the authority to make the relevant submissions to government to secure the four year settlement and freedom to use capital receipts for transformation purposes if considered to be in the Council's best interest;**
- 1.6 Approve the Dedicated Schools Grant as set out in section 7 and Appendix 4;**
- 1.7 Approve the new General Fund capital schemes as set out in section 9 and Appendix 5;**
- 1.8 Delegate to Cabinet:**
 - 1.8.1 The approval of any expenditure, including loan and equity advances, related to Gloriana Thurrock Ltd developments and these be deemed as part of the capital programme;**
 - 1.8.2 The ability to agree schemes where it can be evidenced that there is a spend to save opportunity and these be deemed as part of the capital programme; and**
 - 1.8.3 The ability to agree schemes that use any unbudgeted contributions from third parties, including those by way of grants or developers' contributions, and these be deemed as part of the capital programme.**

Statutory Council Tax Resolution

(Members should note that these recommendations are a result of the previous recommendations above and can be agreed as written or as amended by any changes agreed to those above).

- 1.9 Calculate that the Council Tax requirement for the Council's own purposes for 2016/17 is £57,135,138 as set out in the table at paragraph 5.3 of this report.**
- 1.10 That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:**

- (a) £390,012,962 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act.
- (b) £332,877,824 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
- (c) £57,135,138 being the amount by which the aggregate at 1.10(a) above exceeds the aggregate at 1.10(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
- (d) £1,169.46 being the amount at 1.10(c) above (Item R), all divided by Item T (Council Tax Base of 48,856), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
- (e) £0 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act.
- (f) £1,169.46 being the amount at (d) above less the result given by dividing the amount at (e) above by Item T, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.

1.11 To note that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the tables below.

1.12 That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2016/17 for each part of its area and for each of the categories of dwellings.

2016/17 COUNCIL TAX FOR THURROCK PURPOSES EXCLUDING ESSEX FIRE AUTHORITY AND ESSEX POLICE AUTHORITY

Amounts for the Valuation Bands for 2016/17							
A £	B £	C £	D £	E £	F £	G £	H £
779.64	909.58	1,039.52	1,169.46	1,429.34	1,689.22	1,949.10	2,338.92

- 1.13 That it be noted that for the year 2016/17 Essex Police Authority has stated the following amounts in precept issued to the Council for each of the categories of dwellings as follows:

Amounts for the Valuation Bands for 2016/17							
A £	B £	C £	D £	E £	F £	G £	H £
101.40	118.30	135.20	152.10	185.90	219.70	253.50	304.20

- 1.14 That it be noted that for the year 2016/17 Essex Fire Authority has stated the following amounts in precept issued to the Council for each of the categories of dwellings as follows:

Amounts for the Valuation Bands for 2016/17							
A £	B £	C £	D £	E £	F £	G £	H £
45.12	52.64	60.16	67.68	82.72	97.76	112.80	135.36

2016/17 COUNCIL TAX (INCLUDING FIRE AND POLICE AUTHORITY PRECEPTS)

Amounts for the Valuation Bands for 2016/17							
A £	B £	C £	D £	E £	F £	G £	H £
926.16	1,080.52	1,234.88	1,389.24	1,697.96	2,006.68	2,315.40	2,778.48

2 Introduction and Background

The Process for Agreeing the Council's Budgets

- 2.1 The Council must set its annual revenue budget and associated Council Tax by 11 March of the preceding financial year. If, for whatever reason, the Council cannot agree a budget and Council Tax at its meeting on 24 February 2016, Members should be aware that it is unlikely that the Council Tax bills could be sent out in time for April instalments (taking into account the necessary notice period and the time required to print the bills and accompanying information).
- 2.2 It is also good practice to approve the capital programme at the same time because there is an interdependency between the budget streams. Fees and Charges were approved by Cabinet on 10 February 2016.
- 2.3 The Housing Revenue Account (HRA) budget needs to be agreed in a timely manner to ensure that rent increases can be reflected from 1 April of each year. A separate report on this agenda deals with Housing Rents and Charges for 2016/17.

- 2.4 This report presents the proposed 2016/17 General Fund revenue and capital budgets, as per the recommendations of the Cabinet that have been formed through budget reports presented to each Cabinet over recent months.
- 2.5 The Director of Finance and IT's statutory statement on the robustness of the estimates and adequacy of reserves under s25 of the Local Government Act 2003 is included at Appendix 1. This must be considered by Council before approving the budget and Council Tax.

Revenue

The 2015/16 Budget Position

- 2.6 Cabinet has received a number of reports throughout the year identifying pressures in both Environment (reversal of the decision to charge for green bins) and Children's Services. The gross pressures were estimated at £6.1m.
- 2.7 In addition, the contracted obligation to reimburse Serco for its surplus in the Essex Pension Fund has been estimated at £2.5m.
- 2.8 Officers reported various mitigating actions that brought the budget back into balance but recognised a number of the pressures as ongoing and made provision in the Medium Term Financial Strategy (MTFS) for 2016/17.
- 2.9 The most recent analysis has identified that the pressures within Children's Services are increasing for three main reasons:
- a) Unaccompanied Asylum Seekers (UASC), including recognising assumed levels of reimbursement from government for the 2014/15 financial year;
 - b) The cost of placements; and
 - c) The cost of interim staff over and above establishment to meet acceptable social worker to child ratios.
- 2.10 These will be further considered by Cabinet in March 2016 and mitigating action taken to minimise any further impact in 2016/17.

Financial Self Sustainability and Government Grants

- 2.11 Government announced the Comprehensive Spending Review (CSR) in November 2015 and this provides the financial framework and direction that public services will have to work within over the life of this parliament.
- 2.12 Key messages from the CSR were as follows:
- a) Confirmation that the Revenue Support Grant (RSG) will be abolished over the life of this parliament through a continuation of year on year reductions, in addition to the £29m lost between 2010/11 and 2015/16;

- b) That, as a result of the abolition of RSG, Council's will be reliant on raising necessary funding locally through Council Tax, Business Rates and other Income Generation;
- c) That Local Government will retain all Business Rates collected in any one area from 2019/20 but will still be subject to tariffs and top ups – in other words, for Thurrock Council, the Council will still have to pay a significant proportion of the Business Rates it collects to central government for redistribution. (Thurrock Council currently retains approximately 30% of what it collects); and
- d) That, as a result of more Business Rates being available to councils nationally, there will be added obligations for councils to meet. These new duties have not yet been announced and will be subject to consultation over the coming months but it is likely that any increased funding will be absorbed by these new requirements.

2.13 Simply, the cost of paying for the majority of the services that the Council is responsible for will have to be met from income raised directly: Council Tax; Business Rates, and; fees, charges and recharges. It is in this context that this report makes its recommendations on increases to Council Tax for just the second time since 2010 as a direct response to the government direction in the Autumn Statement.

2.14 Based on the proposals within this report, the following table demonstrates the direction of travel for the financing of local government:

	2010/11 %	2015/16 %	2016/17 %
Government Grant	54.2	22.7	15.9
Business Rates (Retained)		26.7	29.7
Council Tax	44.3	47.6	51.1
Fees, Charges and Other Income	1.5	3.0	3.3

2.15 The Council also receives a number of grants for specific purposes. In line with the overall direction of less government support, the reductions in these grants have been factored into the Medium Term Financial Strategy (MTFS). However, two areas in particular are a cause of particular concern.

2.16 Public Health Grant. As part of the reforms contained within the Health and Social Care Act 2012, responsibility for commissioning certain public health functions moved from the NHS to Local Authorities. In 2013 a ring fenced Public Health Grant was provided to all top tier local authorities in order to commission mandated and discretionary Public Health services.

- 2.17 During 2015/16, the Chancellor announced in-year cuts to the grant of 6.2% amounting to an in-year reduction of £655k. A further cut of up to 3.9% was announced in the 2015 Autumn Statement and this has increased the annual reduction to £924k in 2016/17.
- 2.18 The Better Care Fund. This is a joint budget between the Council and the Clinical Commissioning Group (CCG). The government has committed to increasing the amount available for Adult Social Care over the life of this parliament but, although the Council is still waiting for details regarding 2016/17, no increase is expected despite the increases in the cost of care brought about by the increase in the minimum wage (£1.5m) or the increased demand, especially in areas such as dementia and autism (£1m).

3 Council Tax Proposals

- 3.1 The Localism Act 2011 introduced the concept of a referendum where a proposed Council Tax increase exceeds its excessiveness principles either by the billing authority (Thurrock Council) or one of its major preceptors. Simply, a referendum would be required if the Council resolved to increase Council Tax by a higher percentage than the government guidelines. This report does not propose increases that would call for a referendum.
- 3.2 The Autumn Statement confirmed that there would no longer be a freeze grant offered to councils. As the MTFs had assumed a grant would be available, the Council's estimated financial deficit for 2016/17 was increased by £600k.
- 3.3 Other national changes have also increased liabilities on the Council through the Minimum Wage (£1.5m on Adult Social Care contract) and the National Insurance and Apprentice Levy changes (£0.5m).
- 3.4 The government's spending power calculation for all councils with adult social care responsibility assumes increases of 2.00% per annum over the life of the settlement to offer a form of protection to adult social care budgets.
- 3.5 The government's spending power calculation included a further increase of 1.75% per annum in line with the average Consumer Price Index (CPI) over the next four years.
- 3.6 These published increases are a reversal of previous policy where a Council Tax freeze was recommended.
- 3.7 When considering Council Tax increases, Members should consider Thurrock Council's position nationally in terms of the funding available to it to provide the wide range of services, including the need to manage increases in demand for both Children's and Adults' Social Care.
- 3.8 Of the 55 Unitary Authorities, Thurrock Council has the third lowest Council Tax Band D and:
- a) Is able to raise the third lowest amount of Council Tax;

- b) Receives the third lowest level of Revenue Support Grant (RSG);
- c) Has the third lowest net budget; and
- d) Has the fifth lowest net budget per head of population.

3.9 This clearly demonstrates the Council has one of the lowest levels of expenditure for services in the country.

3.10 Due to the loss of assumed freeze grant and the Council's low budget base as set out above, **a 3.99% increase is recommended** that will raise some £2.2m in 2016/17 and make some headway towards the more difficult task of balancing 2017/18 and beyond. For Thurrock Council, a referendum would be triggered where Council Tax is increased by 4% or more above the authority's relevant basic amount of Council Tax for 2015/16.

3.11 A 3.99% increase in Council Tax equates to £44.82 for a Band D property in Thurrock. 71% of properties in Thurrock are Bands A-C where the increase ranges from £29.88 - £39.84 per year or £0.57 - £0.77 per week. The table below sets out the impact on the various bands for Thurrock households:

Band	2015/16	Increase	2016/17	Weekly
A	749.76	29.88	779.64	0.57
B	874.72	34.86	909.58	0.67
C	999.68	39.84	1,039.52	0.77
D	1,124.64	44.82	1,169.46	0.86
E	1,374.56	54.78	1,429.34	1.05
F	1,624.48	64.74	1,689.22	1.25
G	1,874.40	74.70	1,949.10	1.44
H	2,249.28	89.64	2,338.92	1.72

3.12 A survey carried out amongst Municipal and Unitary Treasurers in early January 2016 provides some national context to the recommended increase in Council Tax. Two specific questions were asked and these are set out below along with the responses:

- a) Is your Council minded to increase Council Tax by 2% for Adult Social Care?

Yes	76.19%
No	1.59%
Undecided	22.22%

- b) In addition, is your Council minded to increase the general Council Tax element?

No Increase	6.82%
0.00 – 0.99%	4.55%
1.00 – 1.49%	0.00%
1.50 – 2.00%	70.45%
Undecided	18.18%

- 3.13 The survey results show strong support for Council Tax increases nationally.
- 3.14 Corporate Overview and Scrutiny Committee hold the responsibility for reviewing the general aspects of the budget. As such, Cabinet asked the committee to discuss the proposed Council Tax increases at their meeting on 2 February 2016:
- a) The committee recognised the direction of travel towards financial self-sustainability and acknowledged that raising the necessary finance was now the Council's responsibility with the phasing out of the Revenue Support Grant; and
 - b) There was some discussion as to whether the increase should be limited to 3.75% but, on hearing that this only saved Bands A-C 3-5 pence a week but would cost the Council £137,500, the committee unanimously recommended a 3.99% increase.
- 3.15 Cabinet considered this response at their meeting on 10 February 2016 and decided to also recommend a 3.99% increase to Council.

4 Changes to the 2016/17 Budget

- 4.1 Recent years have seen a number of consultations across all services that have proposed a wide range of service reductions and increases to fees and charges.
- 4.2 At the Council meeting in February 2015, Members considered the MTF5 and this set out a projected budget gap for 2016/17 of £9.966m. Appendix 2 sets out the changes that have been made and are recommended to not only bridge that gap but to also create a provision of £0.365m to support the Council in achieving financial self-sustainability. This budget would be used on projects covering, for example:
- a) Increased income through both existing charges and securing additional income streams;
 - b) Continuing the work on rationalising the Council's assets to reduce costs and maximise income potential;
 - c) Driving efficiencies through better ways of working;

- d) Financing spend to save initiatives;
 - e) Investigating and implementing new delivery models; and
 - f) Financing organisational change where necessary.
- 4.3 Whilst there are no further budget reductions to front line services proposed, this budget includes delivery of previously agreed savings from the 2015/16 budget setting process of £3.391m and the risk to delivery and impact of these proposals cannot be under estimated. It is clear from the table that, if the Council is to balance the budget for 2016/17 without having to make further reductions to services, the Council Tax increases as recommended are essential.
- 4.4 If a 3.99% Council Tax increase is not supported, options will need to be available for the Council to set a balanced budget. Options will focus on:
- a) The removal of the re-instated budget for bus subsidies as this is a previously agreed saving and is not yet contractually committed;
 - b) A reduction to the growth provision for Children's and Adults' social care pressures;
 - c) Reductions in the Environment Service where levels of activity are more easily flexed albeit with a visible impact for residents across the borough; and
 - d) Reductions to other discretionary services such as libraries, arts and leisure services.

Other Comprehensive Spending Review (CSR) Considerations

- 4.5 There are two specific areas that need further consideration from the CSR:
- a) Four Year Settlement – the provisional settlement issued by the government on 17 December 2015 included forecasts through to 2019/20. Local authorities are invited to 'sign up' to these figures through an efficiency plan to be lodged with the Department for Communities and Local Government (DCLG). However, the message was clear that these could be amended should the government believe that there is a need to and so they would only remain indicative; and
 - b) Capital Receipts – through setting out a transformation plan, Council's would be able to use capital receipts to pay for revenue transformation programmes and activities.
- 4.6 In both cases, the government is yet to issue guidance and even clarity on the detail of these two proposals. As such, it is recommended to delegate the final decision and submissions to the Director of Finance and IT in consultation with the Chief Executive and Leader of the Council.

5 Proposed General Fund Revenue Budget 2016/17

- 5.1 Cabinet has considered detailed reports at each of its meetings in this municipal year following on from the Council budget report in February 2015. These have included recognising pressures in the current financial year and making provision in 2016/17. These are all summarised in the table at Appendix 2.
- 5.2 The impact from 2015/16 is demonstrated in the increased provision for both Children's and Adults' Social Care that reflects both increases in demand and the economic impact of the government's changes to the minimum wage. Provision has been increased from £3m to £4.5m and this will be held centrally and allocated as the pressures materialise.
- 5.3 The proposed net General Fund revenue budget is £110,289,954 and is allocated to services as set out below:

	£000's
Adults, Housing and Health	32,023
Children's Services	27,429
Environment and Place Directorate	32,714
Chief Executive's Office	24,436
Commercial Services	348
Contingency for Demand and Economic Pressures	4,500
Recharges	(5,971)
Specific Grants	(1,572)
Service Budget Total	113,907
Levies	539
Capital Financing	(4,156)
Net Expenditure	110,290
<i>Financed by:</i>	
Revenue Support Grant	(20,673)
NNDR	(30,917)
New Homes Bonus	(3,383)
Collection Fund Balances	1,818
To be funded through Council Tax	(57,135)

6 Medium Term Financial Strategy (MTFS)

- 6.1 The MTFS covering the period 2017/18 through to 2019/20 is attached at Appendix 3 which includes the assumption that there will be a 3.99% Council Tax for each of the following years. This is in line with the government's spending power assumptions.

- 6.2 Even with the proposed Council Tax increases, the deficit of £18.5m is still very challenging. Any reduction to the proposed Council Tax increase in future years will increase the deficit and impact the following financial years.
- 6.3 The budget proposal for 2016/17 includes a provision of £365k to help meet the challenge of the future financial pressures. Broadly, activity will include but not be limited to:
- a) Income generation;
 - b) Asset rationalisation;
 - c) Spend to save initiatives; and
 - d) Service and related employment reductions.

7 Government Funding – Dedicated Schools Grant

- 7.1 The Dedicated Schools Grant (DSG) was introduced in 2006/07 as a 100% specific grant to fund the schools' budget.
- 7.2 Since 2013/14 the Grant has been split into three blocks: these are the Schools Block, the High Needs Block and the Early Year Blocks. Whilst the DSG is ring-fenced the separate blocks are not ring-fenced to each area, however any movement from the Schools block would need to be agreed by the Schools Forum.
- 7.3 The original allocation of the DSG was calculated based on the 2012/13 spend and there has been no inflationary increase since then.
- 7.4 The Schools block and the Early Years block are uplifted, based on a multiple of pupil numbers and unit value, however where there is population growth there is no increase to the High Needs block, which represents 15% of total DSG funding, and is the greatest risk area for the Council.
- 7.5 Within the Schools block, the Local Authority is not permitted to increase the central expenditure, beyond the levels of 2012/13 which relates to prior commitments. All other funding is delegated to schools to manage locally.
- 7.6 The DSG allocation is based on the October pupil count, and allocations are given in December for the Schools and High Needs block with an indicative allocation of the Early Years block which is updated for actual pupil take up during the year.
- 7.7 The basis of the October count has caused some dilution of funding to schools as Thurrock is going through a significant period of pupil growth. This means that we are funding pupils in schools before they are funded in the DSG resulting in a top slice to all schools funding rates to cover the increased numbers.

- 7.8 There has been no major change to the Thurrock formula for financing schools this year, with the Schools Forum agreeing that during a time of reducing budgets further turbulence should not be added by changing the method of distribution.
- 7.9 The only change in the formula funding for 2016/17 School budgets is a reduction to the Age Weighted Pupil Unit (AWPU) by 0.6% to allow for the funding of the agreed growth, all other factor have remained constant.
- 7.10 DSG is calculated for all mainstream schools in Thurrock, including Academies, using the Thurrock funding formula. The Education Funding Agency then recoups funding to be distributed to Academies and a net Grant is paid to the Authority to ensure that Academy and maintained schools are funded on the same basis. All figures in this report are gross.
- 7.11 The allocation of funding for special schools and the Pupil Referral Unit is no longer included as schools funding, but is included in the High Needs Block.
- 7.12 The Department for Education will be consulting in late February/ early March on a different allocation methodology and a move to a national funding formula for all Schools and Academies is expected to be introduced for the 2017/18 academic year.
- 7.13 The per pupil rate of Schools block DSG paid to Thurrock is £4,459.07, the early years pupil rate is £3,715.04. The total value of the DSG paid for 2016/17 is £135.597m (Gross before Academy recoupment) made up of:-
- | | | |
|----|-------------------|-------------------|
| a) | Schools Block | £109.506m |
| b) | High Needs Block | £20.466m* (gross) |
| c) | Early Years Block | £8.572m |
| d) | Non Block Funding | £0.036m |

*Net allocation of High Needs block including funding allocated directly to Academies is £17.484m.

- 7.14 At the end of 2015/16 all but one secondary school has converted to Academy status, 25 of the 39 primary schools and 1 of the 2 special Schools. The Pupil Referral Unit, and two primary schools converted to Academy status at the beginning of this Financial year. Currently we have no school confirming they will convert to Academy status over the financial year although we are aware that several are investigating their options with the government agenda stating their intention to move to an all Academy model.

8 Reserves

- 8.1 The Council's total useable reserves as at 1 April 2015 were £53.158m. However, a number of these reserves are for capital, schools and the Housing Revenue Account (HRA). The estimated balance available for GF purposes

as at 1 April 2016 is just the General Fund unearmarked balance of £8m. This balance is in line with the Council's optimum level of reserves as set out in the 2015/16 budget papers.

- 8.2 There is no set formula to determine this balance but it is for the Council's S151 Officer to consider the Council's past financial performance and risk to the budget over the future medium term and to then recommend a balance to the Council. It is, however, for the Council to set this balance considering that recommendation.
- 8.3 The Council has now delivered within budget for each of the financial years 2010/11 through to 2014/15 and expects to do so again in 2015/16 despite the reported pressures in Children's Services and the additional cost of the Serco pension liability. This in itself reduces the risk and would have traditionally given the S151 Officer the opportunity to recommend a lower balance. However, this needs to be measured against the ongoing financial difficulties the Council will face. This report has already stated that delivering savings is becoming increasingly difficult and this will continue through the medium term.
- 8.4 There has been some comment that the £8m General Fund balance could be reduced as the Council's budget becomes smaller. In fact, the opposite could be argued as demand is increasing with less resource available.
- 8.5 Considering the above, the recommendation is to maintain the General Fund balance at £8m for 2016/17.

9 Proposed Additions to the Capital Programme

- 9.1 The majority of the Council's capital programme is funded from grants in terms of both schools and highways and from rents and grants for the HRA.
- 9.2 For the remainder of the General Fund or, indeed, to supplement the above, the following sources are available:
 - a) Capital Receipts – these are the receipts realised from the disposal of capital assets such as land and buildings. Members will be aware that the Council reviews its asset base and there is a programme of disposals being progressed;
 - b) Grants and Contributions – these could be ad hoc grants awarded from government or other funding agencies or contributions from developers and others;
 - c) Prudential Borrowing – the Council is able to increase its borrowing to finance schemes as long as they are considered affordable. The MTFS assumes repayments on £3m of borrowing per annum; and
 - d) Revenue – this approach is not recommended as it has an immediate and costly impact on the General Fund.

- 9.3 Attached at Appendix 5 are the schemes being proposed for the Cabinet's consideration. They have been considered against the following criteria:
- a) Whether they are categorised under Health and Safety, Statutory, Invest to Save or desirable; and
 - b) Through a scoring process against the Council's priorities.
- 9.4 Officers do recognise these are all schemes that address predominantly short-term issues and a more ambitious capital programme needs to be developed to support growth throughout the borough. In addition, the Council must be able to transform itself into a more modern authority that also reflects the changes that are inevitable to achieve financial self-sustainability.
- 9.5 These schemes could include a new theatre, town centre regeneration, support to businesses, further development at High House Production Park, etc. Schemes to also support revenue generating opportunities will also be developed.

10 Capital Programme Overview

- 10.1 Operational Buildings – these schemes have been proposed at a level to ensure that the buildings remain operational and fit for purpose for the short term. These proposals provide funding for various schemes but will only be spent where absolutely necessary. Funding is also requested for Collins House to carry out essential works as well as to fund a feasibility study into whether the building would be best served through a major refurbishment or replacement.
- 10.2 Environment – there are proposals for essential service items such as replacement household bins, vehicles and plant. There are also other schemes for maintaining/enhancing open spaces and for efficiency improvements. Although not included within these proposals, Members should be aware that officers are working on the re-tendering of the waste contracts. The current fleet is approaching the end of its life and consideration will be given during the tender process for replacement vehicles.
- 10.3 IT – now that the service has been brought back in-house, a comprehensive programme is being developed to improve stability, both for normal operational purposes but also for Business Continuity and Disaster Recovery purposes. Bids also include works to major applications, such as Oracle, that will improve efficiency throughout the workforce to compliment the staffing reductions.
- 10.4 Community Environmental Development Fund (CEDF) – Cabinet agreed to propose a new fund, the CEDF. This is for communities to bid against criteria being developed for capital enhancements to their areas. A fund of £250k is proposed.

11 Other Capital Recommendations

- 11.1 There are three areas where the Council has previously given Cabinet delegation to approve additional schemes and this is being recommended again for 2016/17:
- a) Additional Funding – throughout the year, the Council quite often receives additional funding through, for instance, government grants and developers' contributions;
 - b) Invest to Save – these schemes could only be approved where the reduction in ongoing expenditure or increased income exceeds the cost of repaying the prudential borrowing required for the scheme; and
 - c) Gloriana – Members will be aware that there are a number of governance gateways before approval for a scheme is considered by Cabinet. These gateways include discussion within a governance group consisting of the three group leaders, the Chief Executive and the Director of Finance and IT.
- 11.2 The delegation requested is that any approval is deemed to be part of the capital programme and that the necessary prudential indicators set out in the Treasury Management Strategy are amended accordingly.
- 11.3 This approach means that estimated amounts for schemes that may or may not take place are not included in the programme, removing the need for speculative provisions.

12 Key Points from Corporate Overview and Scrutiny Committee (Capital)

- 12.1 Corporate Overview and Scrutiny Committee (2 February 2016) and Cabinet (10 February 2016) considered the capital proposals:
- a) The committee and Cabinet agreed the proposals but recognised that these were all of operational necessity and did not yet reflect the aspirations of the Council. Members supported the need for a more aspirational programme for the future to be brought back in due course; and
 - b) The Overview and Scrutiny committee debated the three areas of delegation to Cabinet and, for 2016/17, have supported these. There was discussion about how these delegations could be capped to ensure that Council was still involved in the more financially significant projects but agreed this should be developed over the coming months as a consideration for future years.

13 Issues, Options and Analysis of Options

- 13.1 The issues and options are set out in the body of this report in the context of the latest MTFs and informed by discussions with the Leader of the Council, Group Leaders and Directors' Board.

14 Reasons for Recommendation

- 14.1 The Council has a statutory requirement to set a balanced budget annually. This report sets out the budget pressures in 2015/16 and 2016/17 along with actions to mitigate these pressures and create a budget to implement changes required to reshape the Council.

15 Consultation (including Overview and Scrutiny, if applicable)

- 15.1 This report has been developed in consultation with the Leader, Portfolio Holders and Directors Board. In addition, Corporate Overview and Scrutiny Committee considered the report on 2 February with their comments set out above. Group Leaders and Deputy Leaders have been involved throughout the budget planning process through the Budget Review Panel. The Director of Finance and IT has attended each political group meeting providing a briefing on the overall financial position.
- 15.2 Budget consultation sessions were held separately with the voluntary sector, Community Forum Chairs and the Business Board in January 2016. This provided an opportunity to set out the Council's overall budget position and consider together areas where further collaboration could be explored in future such as alternative service delivery models.

16 Impact on corporate policies, priorities, performance and community impact

- 16.1 The implementation of previous savings proposals has already reduced service delivery levels and our ability to meet statutory requirements, impacting on the community and staff. There is a risk that some agreed savings may result in increased demand for more costly interventions if needs escalate particularly in social care. The potential impact on the Council's ability to safeguard children and adults will be kept carefully under review and mitigating actions taken where required.
- 16.2 The scale of future budget reductions as set out in this report are such that work is underway to develop a transformational approach to tackling this challenge in future years.

17 Implications

17.1 Financial

Implications verified by: **Sean Clark**
Director of Finance and IT

The financial implications are set out in the body of this report.

Council officers have a legal responsibility to ensure that the Council can contain spend within its available resources. Regular budget monitoring reports will continue to come to Cabinet and be considered by the Directors

Board and management teams in order to maintain effective controls on expenditure during this period of enhanced risk. Austerity measures in place are continually reinforced across the Council in order to reduce ancillary spend and to ensure that everyone is aware of the importance and value of every pound of the taxpayers money that is spent by the Council.

This report does not just set out the actions required to set the budget for 2016/17 but provides a financial framework to facilitate change going forward.

17.2 Legal

Implications verified by: **David Lawson**
Deputy Head of Legal & Governance - Deputy Monitoring Officer

There are no direct legal implications arising from this report.

There are statutory requirements of the Council's Section 151 Officer in relation to setting a balanced budget. The Local Government Finance Act 1988 (Section 114) prescribes that the responsible financial officer "must make a report if he considers that a decision has been made or is about to be made involving expenditure which is unlawful or which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency to the authority". This includes an unbalanced budget.

17.3 Diversity and Equality

Implications verified by: **Natalie Warren**
Community Development and Equalities Manager

There are no specific diversity and equalities implications as part of this report. A comprehensive Community and Equality Impact Assessment (CEIA) will be completed for any specific savings proposals developed to address future savings requirements and informed by consultation outcomes to feed into final decision making. The cumulative impact will also be closely monitored and reported to Members.

17.4 Other implications (where significant – i.e. Staff, Health, Sustainability, Crime and Disorder)

Any other significant implications will be identified in any individual savings proposal business case to inform the consultation process where applicable and final decision making.

18 Background papers used in preparing the report (including their location on the Council's website or identification whether any are exempt or protected by copyright):

- Budget working papers held in Corporate Finance
- Budget Review Panel papers held in Strategy and Communications

19 Appendices to the report

- Appendix 1 – Report of the Council's Section 151 Officer under Section 25 of the Local Government Act 2003: Robustness of Estimates and Adequacy of Reserves
- Appendix 2 – Summary of MTFS Movements
- Appendix 3 – Medium Term Financial Strategy
- Appendix 4 – Schools' Budget
- Appendix 5 – General Fund Capital Programme Additions

Report Authors:

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Karen Wheeler, Head of Strategy, Communications and Customer Services

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**SECTION 151 OFFICER'S STATEMENT ON ADEQUACY OF BALANCES AND
THE ROBUSTNESS OF THE BUDGET – BUDGET YEAR 2016/17**

Introduction

The Chief Financial Officer is required to make a statement on the adequacy of reserves and the robustness of the budget. This is a statutory duty under section 25 of the 2003 Local Government Act which states the following:

- (1) *Where an authority to which section 32 or 43 of the Local Government Finance Act 1992 (billing or major precepting authority) or section 85 of the Greater London Authority Act 1999 (c.29) (Greater London Authority) applies is making calculations in accordance with that section, the Chief Finance Officer of the authority must report to it on the following matters:-*
 - (a) *The robustness of the estimates made for the purposes of the calculations;
and*
 - (b) *The adequacy of the proposed financial reserves.*
- (2) *An authority to which a report under this section is made shall have regard to the report when making decisions about the calculations in connection with which it is made.*

This includes reporting and taking into account:

- The key assumptions in the proposed budget and to give a view on the robustness of those assumptions; and
- The key risk areas in the budget and to assess the adequacy of the Council's reserves when reviewing the potential financial impact of these risk areas on the finances of the Council. This should be accompanied by a Reserves Strategy.

This report has to be considered and approved by Council as part of the budget approval and Council Tax setting process.

This document concentrates on the General Fund 2016/17, the Housing Revenue Account and Capital Programme but, in addition, it also considers key medium term issues faced by the Council.

Statement of the Council's Section 151 Officer (Director of Finance and IT)

1. I have reviewed the budget proposals for 2016/17 and consider them to be challenging but achievable. There are three specific areas within the General Fund budget that cause concern and will require strong officer and political management to achieve them:
 - a) During the 2015/16 budget setting meetings, service related savings of £3.3m were agreed for the 2016/17 financial year and some of these are still in the process of being delivered;

- b) The level of Public Health Grant (PHG) for 2016/17 was only published on 11 February 2016 and resulted in a reduction of £924k over the original 2015/16 budget. As this spend is based on 12 month contracts, it is not yet certain whether this reduction can be contained without a call on the General Fund; and
 - c) Over the course of the last year, Cabinet have received a number of reports on the performance against budget for 2015/16. Pressures have been identified and reported on the following:
 - (i) Environmental Services: not implementing the decision to charge for green bins, the closure of the Sita recycling facility and the decision to finance additional cleaning rounds during the Summer; and
 - (ii) Children's Social Care: pressures have been reported in the cost of placements, an increased number of social workers due to caseloads and Unaccompanied Asylum Seekers.
2. The gross pressures from the above have been reported at £6m and, since that date, further pressures in Children's Services have been identified and are in the process of being costed.
 3. Whilst provision has been made within these budget proposals for considerable growth in these areas, there remains the challenge of reducing and managing these increasing pressures to remain within the agreed budget envelope.
 4. Confidence in achieving this comes from having consistently managed in-year pressures since 2010/11 and coming within budget for each of those years. However, as budgets and discretionary spend reduces, the ability to make in-year reductions to other areas of the budget reduces also.
 5. With regards to the HRA, the 1% rent reduction has reduced resources in 2016/17 by £1m and is forecast to have lost a total resource of £14.6m over the life of the MTFs. Whilst a significant reduction to the Council's housing aspirations for both current and new stock, these reductions can be managed through deferring and slowing down current programmes although the impact on residents is obviously considerable.
 6. The key process risks in making the above statement is the availability of timely and relevant financial information to the services. This is two-fold:
 - a) The reporting ability of the Council's financial system, Oracle, is still inadequate and requires considerable manual intervention before being of use to service managers; and
 - b) A number of the service specific systems, notably housing and Social Care, do not interface with the Oracle system in a way that allows the identification of future commitments.

These risks are known and work continues to improve this position.

7. My statement is also conditional upon:
- Council acknowledging the need to increase the Council's income base, specifically through Council Tax increases;
 - A budget for officers to plan for and implement change to meet the financial challenges over the medium term;
 - The agreement of a Medium Term Financial Strategy and Plan for 2017/18 to 2019/20 that will require significant reductions in net revenue expenditure to deliver a balanced budget for the financial years 2017/18 and beyond;
 - A recognition in the medium term planning approach that the level of reserves and corporate risk assessment need to be regularly reviewed in the light of changing circumstances and that it may not be possible to match the two at any single point in time. The Council needs to show a commitment to maintain reserves at a level which provides adequate cover for most identified risks during the planning period. This approach is pragmatic and shows a clear commitment to prudent contingency planning. It must be noted, however, that the recommended levels of reserves still leave the Council exposed to the very exceptional risks identified in this review and, if those risks crystallise, to reserves being inadequate;
 - Portfolio Holders, Directors and Heads of Service managing within their cash limits for 2016/17 (and future years covered by the Medium Term Financial Strategy and Plan);
 - Taking every opportunity to meet the Reserves Strategy as a first call on windfall under spends or receipts;
 - Not considering further calls on reserves other than for those risks that have been identified, those that could not have been reasonably foreseen and that cannot be dealt with through management or policy actions. The exception to this is where the Reserves Strategy (reviewed annually) is met. Even in those circumstances, it is not prudent to finance ongoing spending from one-off reserves. Any excess reserves should be targeted towards one-off 'invest to save', supporting the transition that is required for future service delivery and contributions to fund the Council's capital programme;
 - Where there is a draw-down on reserves, which causes the approved Reserves Strategy to be off target, that this is paid back within a maximum of three years; and
 - That the Council has arrangements and resources in place to consider value for money in preparation for future years' budgets.
8. In relation to the adequacy of reserves, I recommend the following **Reserves Strategy** based on an approach to evidence the requisite level of reserves by internal financial risk assessment. The Reserves Strategy will need to be reviewed annually and adjusted in the light of the prevailing circumstances.

- An absolute minimum level of General Fund reserves of £7.0m that is maintained throughout the period between 2016/17 to 2019/20;
 - An optimal level of reserves of £8.0m over the period 2016/17 to 2019/20 to cover the absolute minimum level of reserves, in-year risks, cash flow needs and unforeseen circumstances;
 - A maximum recommended level of reserves of £10.0m for the period 2016/17 to 2019/20 to provide additional resilience to implement the Medium Term Financial Plan; and
 - In relation to the Housing Revenue Account (HRA) my recommendation is that reserves be maintained at £1.7m.
9. The estimated level of unallocated General Fund reserves at 31 March 2016, based on current projections is £8.0m, depending on final spending. Therefore:
- The absolute minimum level of reserves of £7.0m is currently being achieved.
 - The optimal level of reserves of £8.0m will be maintained by the end of the current year.
 - The recommended maximum level of reserves of £10.0m will not be reached during 2016/17.
10. These recommendations are made on the basis of:
- The detailed discussions that have taken place at Directors' Board, including the regular review of the high risk proposals;
 - My own enquiries during the development of the budget;
 - The resilience required to deliver the Medium Term Financial Plan;
 - One-off unallocated reserves not being used to fund new ongoing commitments;
 - Reserves in 2016/17 and the foreseeable future being used only where planned and if risks materialise and cannot be contained by management or policy actions; and
 - That where reserves are drawn down, the level of reserves is restored within a maximum of three years to that required by the Medium Term Financial Strategy.
11. There are also serious exceptional risks over and above those mentioned which, if they crystallise, could eliminate the Council's reserves and leave its financial standing seriously in question. These include:
- Not having a clear plan on how to meet the financial challenges of 2017/18 and the medium term;

- Not realising the efficiencies from transformation and new ways of working;
- Unforeseen impacts arising from the consequences of welfare reform, in particular the roll out of Universal Credit;
- Unforeseen impacts arising from the governance and financial changes in the provision of public health services;
- The impact of the localisation of business rates and the consequences of future changes in the total rateable value of businesses located in Thurrock;
- Interest rate rises that would reduce the ongoing savings arising from the restructuring of debt carried out in August 2010;
- The failure of Gloriana Thurrock Ltd;
- Any shortfall against the expected value of assets identified for disposal; and
- The lack of contingency funds to meet demographic and economic pressures, especially at this time of significant change.

12. In relation to the General Fund and HRA Capital Programme 2016/17 (including commitments from previous years and new projects):

- The HRA Capital Programme will need to be contained within total programme costs;
- The General Fund Capital Budget is based on the best information available in terms of project costs. What is less certain, given the history of cost variations, is the phasing of expenditure; and
- The strategic schemes identified in the Capital Programme will be closely monitored in-year.

13. In relation to the medium/long term Capital Programme:

- The delivery of the agreed Capital Strategy and Asset Management Plan is a critical priority to enable the matching of resources to needs and priorities; and
- It is recognised that there are a number of schemes in discussion, especially in terms of town centre regeneration, health centres and theatre provision, that are not yet included within the agreed programme but will require significant resource in the medium term.

Assurance

Given all these factors I consider the estimates for 2016/17 to be sufficiently robust for approval by the Council but they are challenging and dependent on the Council Tax being increased by 3.99% and strong financial management from officers and Members. I advise the Council that both the General Fund and HRA Reserves are

currently at the optimum level required to ensure financial stability over the medium term and recommend that the Reserves Strategy be maintained in 2016/17 and the medium term.

	£m	
February 2015	9.966	The MTFs forecast as reported to Council
Social Care Precept	(1.099)	A 2% increase on the current Council Tax level
General Council Tax Increase	(1.093)	A 1.99% increase on the current Council Tax level
Council Tax Freeze Grant	0.600	Freeze grant no longer available
Grants	(1.746)	An improved position on estimated settlement
Prior Year Council Tax and Business Rates Reconciliation	(1.121)	Every year the Council has to estimate the surplus or deficit in terms of amounts collected against originally estimated. There are still significant pressures on Business Rate appeals that leaves the Business Rate position in deficit but the Council Tax position continues to have a positive impact
Increased Income Generation	(0.700)	As reported to the various Overview and Scrutiny Committees, an additional £0.5m has been built into the base budgets over increases that had already been targeted. This is an essential component of the Council's move towards financial self-sustainability
Pay Related	1.048	Recognises the inclusion of Serco as Thurrock workforce, the changes to NI and the Apprentice Levy
Inflation	(1.018)	Reductions in contract and utility inflation provisions recognising the low rates and cost reductions
Treasury	(4.054)	The Council has been proactive in achieving technical accounting efficiencies such as an annual reduction in the Minimum Revenue Provision and also making significant increases in investment income through

	£m	
		CCLA and Gloriana
Environmental Services	1.460	Includes the decision not to implement the charge for green bins and the increased costs arising from the closure of the recycling facility.
Serco	(3.400)	The net saving resulting from the termination of the Serco contract
Growth	1.500	The MTFs assumes annual increases for demographic growth of £3m. However, with the increase in the minimum wage and unprecedented increases in demands for both Children's and Adults' Social Care, further provision is required
Staffing Cost Reductions	(1.200)	Savings have been identified through the senior management restructure, the savings from the Serco management that did not transfer to the Council and the opportunities to achieve efficiency savings from Thurrock Online
Bus Subsidies	0.190	<p>The issue of bus subsidies has been the subject of a motion at Council on 25 November 2015 and it was also raised as a concern in a budget consultation meeting with the Community Forums on 20 January 2016.</p> <p>Tenders have now been received back and have included the following:</p> <ul style="list-style-type: none"> – Service 11 to offer a 90 minute service including Horndon on the Hill; – Service 374 to offer a 90 minute service commercially with a de minimus payment from the Council; and – Service 14 to offer Fobbing a limited

	£m	
		service to Corringham and Basildon.
Lower Thames Crossing	0.050	Working budget as raised at Council on 27 January 2016
Other	0.252	Other minor amendments in terms of technical items, Council Tax base assumptions, etc
Balance	(0.365)	Available to finance the various initiatives required towards financial self-sustainability

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Medium Term financial forecast	2017/18 £000	2018/19 £000	2019/20 £000
Local Funding			
Council Tax	(1,607)	(1,650)	(1,697)
Council Tax Social Care Precept	(1,153)	(1,186)	(1,222)
Council Tax Collection Fund Surplus	382	390	0
Business Rate Growth	(475)	(1,500)	0
Business Rate - Collection Fund Deficit	(860)	(860)	0
	(3,714)	(4,806)	(2,919)
Total Government Resources			
Revenue Support Grant	6,013	3,960	2,215
Other Central Grants	300	300	300
	6,313	4,260	2,515
Net Additional (Reduction) in resources	2,599	(546)	(404)
Inflation and other increases			
Pay award at 1% - Exc HRA inc SERCO (wp 6)	1,596	831	848
Contract Inflation (wp 7)	407	424	442
Non Contract Inflation (utilities) (wp 8)	563	619	681
Balance sheet adjustment (waste)	(117)	0	0
Fees and Charges	(100)	(100)	(100)
B/f budget surplus	(365)		
	1,984	1,775	1,871
Capital Financing			
Prudential Borrowing & Treasury Management	1,329	869	0
	1,329	869	0
Departmental Savings			
Finance and Education	(232)	0	0
Adult Social Care & Health	(750)	0	0
Regeneration	(335)	0	0
Highways and Transportation	(510)	0	0
Central Services	(632)	0	0
Communities & Public Protection	(75)	0	0
Total Net Service Reduction	(2,534)	0	0
Loss of Purfleet Asset income	500	500	
Demographic and Economic Pressures	3,500	3,500	3,500
	4,000	4,000	3,500
Total Savings to Identify	7,378	6,098	4,967

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Government Funding – Dedicated Schools Grant (DSG)

<u>2016/17 Schools Funding</u>	£000's
DSG Schools Block	109,506
SEN Transport	(1,252)
Maintained for Central Spend	<u>(1,546)</u>
	106,708
Retained for School Growth (Note a)	(750)
Retained for Exceptional High Needs (Note b)	<u>(425)</u>
Distributed to Schools	105,533

Notes

- a) Known growth has been built into the allocations but future growth funding will be allocated to Schools in year, where the school has been requested by the Local Authority to open an additional class in the academic year due to pupil demand. This funding is not allocated for general in year pupil movement. A growth policy has been approved by the Department for Education, and any remaining balance at the end of the year must be returned to the Schools block.
- b) This funding is retained to be distributed to Schools that have a disproportionate number of pupils requiring additional high needs support and is allocated to eligible Schools on a termly basis.

<u>2016/7 Estimated High Needs Block Spend</u>	£000's
Special Schools	6,500
Resource provisions	3,200
Independent/ Non Maintained Special School	3,600
Pupil Referral Unit/Alternative provision	2,500
Schools additional needs top up	3,566
Nursery SEN	500
Post 16 additional needs top up	600
Total	20,466

2016/17 Early Years Block Spend

Formula allocations to providers are currently under review but it should be noted that as with other blocks of the DSG there has been no cash increase.

3 and 4 year Old Provision

All of the Early Years block spend will fund the free 15 hour per week, 38 week placements for 3 and 4 year olds delivered at either a School, Private, Voluntary or Independent early years setting. This is adjusted mid-year based on the average of the last two January counts.

2 Year Old Provision

2 year old provision is funded at a higher rate as is only available to pupils in lower income households. Funding will all be allocated to providers to deliver the 15 hours, 38 week provision, and is allocated to the Authority based on participation. This funding is subject to the normal DSG conditions.

Lead Manager	Scheme	2016/17	2017/18	2018/19	Category
Ian Rydings	Civic Offices 1 - Air Handling Unit replacement	150	-	-	Buildings
Ian Rydings	Civic Offices - Renew Main Public Entrance and Public Area Automatic Doors	36	-	-	Buildings
Ian Rydings	Universal Power Systems - ICT Server Room	33	-	-	Buildings
Ian Rydings	Thameside - Various Works	180	-	-	Buildings
Ian Rydings	Civic & Thameside - Electrical Wiring Inspections	20	-	-	Buildings
Ian Rydings	Civic Offices - Implementation of water controls and Sub-Meter systems for Utilities (Water & Electricity)	61	-	-	Buildings

Comments
Business continuity requirement due to age & condition of Air Handling Unit. In the event of major failure AHU repair may not be feasible and building would technically be uninhabitable by Council staff and any tenant(s).
Health & Safety recommendation due to age and condition of current units resulting in reliability and performance issues. Consider as part of the ground floor refurbishment project.
Business continuity requirement due to age of current systems batteries (at 7 yr life expectancy). In the event of a mains power failure current battery backup may fail resulting in loss of server room systems. Significant operational impact as this would result in loss of all ICT servers.
Various works have been identified including electrical upgrades, ventilation enhancements, ad hoc window replacements and roofing works. This is a contingency and will only be drawn down where necessary as feasibility work continues on an alternative facility.
Health & Safety requirement regulation require that inspections are performed every 5 years of electrical systems. This must be performed for the council to remain complaint with regulations during 2016/17.
Energy Efficiency and more accurate sub metering of water & electrical costs and recharges to tenants. Draw down in line with plans to let areas within CO1 as part of increasing income generation.

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2016/2017 Capital Bids Summary

Lead Manager	Scheme	2016/17	2017/18	2018/19	Category
Ian Rydings	Civic Offices Lift Replacement and Updates	254	240	-	Buildings
Ian Rydings	Civic Offices Underground Parking Area - Sprinkler System Flow Rate Enhancement	62	184	-	Buildings
Ian Rydings	Civic Offices 1 - Staff, Public and member areas toilet facilities Refurbishment	173	-	-	Buildings
Ian Rydings	Civic Offices 1 - LED Lighting upgrade	127	-	-	Buildings
Ian Rydings	Civic Offices - Security Bollards Loading Bay and Main Entrance Areas	10	-	-	Buildings

Jenny Meads	Libraries - Replacement of all staff and public pc's	30	70	-	Libraries
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Comments

Health & Safety current systems are at the end of normal life cycle, and are not fit for purpose due to increased demand from hot-desking introduction. This would modernise the lifts and repurpose internal goods lift to be used by staff also.

Health & Safety recommendation due to limited flow-rates meaning that not all sprinkler heads can trigger simultaneously to contain a large or multi-area fire.

Additional provision to be used in conjunction with the Civic Office ground floor project.

Consider the availability of Salix funding to support this project. Should only be progressed in line with commercial discussions on the letting of CO1.

Should only be progressed as part of the Civic Office ground floor programme.

The PC's in Thurrock's libraries have been in place for over 4 years and whilst they have recently been upgraded to Windows 7 if we want to offer our communities an exceptional digital service we need to start considering replacing our current PC's with newer updated technology.

2016/2017 Capital Bids Summary

Lead Manager	Scheme	2016/17	2017/18	2018/19	Category
Jenny Meads	Libraries - Provision of Radio Frequency Identification (RFID) units	140	-	-	Libraries

Comments

Setting up RFID units in Aveley, Blackshots, East Tilbury, Stanford and Tilbury or Purfleet.

These units will allow visitors to borrow and return items, pay fines and charges themselves. Printing can also be added to these units so that prints can be selected and paid for without staff intervention.

Murray James	ICT - Upgrades to major line-of-business systems	42	51	60	ICT
Murray James	ICT - Contact Centre Telephony	200	-	-	ICT
Murray James	ICT - Strategic Infrastructure	550	550	-	ICT

Major line-of-business systems include BACS, SX3, Northgate, Oracle. Without regular version upgrades the Council could find itself running unsupported versions of key Line of Business Applications and the Council would not be PSN Compliant and could lose use of its key systems and its connection to the Public Services Network which would severely hamper the ability of the council to work with other PSN connected public sector organisations (e.g. DWP), and lose the ability to send sensitive information using GC mailboxes.

Replace the outdated legacy Contact Centre telephony solution with a fit-for-purpose, modern fully supportable solution that will support the Council's Channel Shift strategy.

The majority of the existing ICT infrastructure does not allow for a "24/7" operation due to it being hosted in a single, on-premise data centre that has no capability for continual business operation out of hours for several reasons. The current infrastructure does not also provide a suitable level of Business Continuity or Disaster Recovery because it is hosted in a single location (Civic Office) and no off-site replication of data or systems is in place.

2016/2017 Capital Bids Summary

Lead Manager	Scheme	2016/17	2017/18	2018/19	Category
Murray James	ICT - Smartphones Tech Refresh	-	80	-	ICT
Page 38 Tony Bulmer	ICT - Oracle Improvement Project	680	-	-	ICT

Comments

Replacements for the current smartphone estate of 800 devices.

The existing smartphones will be end-of-life and are unlikely to be able to receive updates to the operating system and apps. Specifically, the Enterprise mobile apps are unlikely to be patchable.

This project is designed to address both technical / configuration issues with the system as well as the business processes necessary to optimise the value and integrity of the system. In addition it will address the skills and structures necessary to maintain the integrity of the system moving forward.

This project has been designed around 2 phases, an initial phase to make the Oracle e-Business Suite a fit-for-purpose system, configured to maximise its value and usability, with business processes designed to optimise the potential of the system.

A second phase, to be developed once a stable fit-for-purpose environment has been delivered, will focus on maximising the potential of the Business Intelligence capabilities of the Oracle system to support and drive future business capabilities and decisions.

2016/2017 Capital Bids Summary

Lead Manager	Scheme	2016/17	2017/18	2018/19	Category
Geoff Galdwin	Infrastructure improvements in parks, burial grounds and open spaces, including recycling bins etc.	250	250	250	Environment
Geoff Galdwin	Replacement of Council-owned vehicles and plant	1,916	1,352	341	Environment

Comments

Enhanced paths, roads and other infrastructure aspects of our facilities will improve public access and help to mitigate the safety and visual impact of reduced maintenance within parks, burial grounds, etc, necessary to meet revenue savings targets.

An effective number of litter/dog waste bins sited in appropriate locations helps to reduce the volume of waste discarded in streets, parks and other public areas. This improves the visual amenity of the borough, encourages more use of parks facilities, and reduces the dependence on front line teams to manually sweep and litter pick.

An effective vehicle and plant fleet is essential in enabling front line services to be delivered efficiently and continuing to operate vehicles and plant beyond their optimum economic life increases both the downtime of front line teams due to breakdowns and the cost of repairs and maintenance.

2016/2017 Capital Bids Summary

Lead Manager	Scheme	2016/17	2017/18	2018/19	Category
Geoff Galdwin	Bartec Unit Upgrades	50	-	-	Environment
Daren Spring	Implementation of back office and mobile working solution for Street Services teams.	70	-	-	Environment

Comments

The fleet of Refuse Collection Vehicles are fitted with in-cab devices that allow the drivers to report the completion of their rounds. The devices that are currently in the vehicles are reaching the end of their life (installed over 5 years ago) and may need to be replaced during the course of 2016-17.

Accurate reporting of missed bins is an essential part of customer service for the waste collection team. Use of the Bartech system enables that data to be reported to residents in real time – reducing contacts with the Council. Additionally, the Bartech system is an important tool, used by the Collection Supervisors in managing their teams.

Currently there is not a back office system that can be used for scheduling, monitoring and reporting on the work undertaken on street cleansing, grounds maintenance, arboriculture and related activities. A business case has been approved by Digital Board for the Department to investigate potential solutions. This work has identified some options that are being further reviewed.

By not having a robust back office system, the Department will continue to be in a position where work cannot be efficiently scheduled, allocated and reported on. Some of the inefficiencies inherent in the current paper based systems will be retained. The ability of the front line teams to maintain acceptable standards of street cleanliness and grounds maintenance across the borough will be impeded.

2016/2017 Capital Bids Summary

Lead Manager	Scheme	2016/17	2017/18	2018/19	Category
Daren Spring	Replacement and additional wheeled bins for waste collection service	120	120	120	Environment
Roger Harris	Improvement works to Collins House	100	-	-	Social Care
David Bull	Improvements to Thurrock Signage throughout the borough	100	-	-	Highways

Comments

Wheeled bins are required for each household to enable the Council's waste collection service to operate. Bins have a finite functional life due to wear and tear, damage etc, and new bins (dry recycling, food/garden waste, and residual waste) are required to meet the growth in domestic properties.

Collins House is directly run by the Council and provides 45 bedspaces for vulnerable older people. We have identified a number of essential upgrade items – washrooms, dining areas, toilets etc – that need essential maintenance and improvement. These are essential to ensure we meet CQC registration standards but also that we maintain occupancy. We need to maintain 95% occupancy to meet our income targets. Estimate cost £ 75k

In addition we want to undertake an initial feasibility study to either expand or relocate the existing building but on the same overall footprint. This will be in order to consider a larger number of beds, redesign to meet modern standards e.g. providing en-suite facilities, or possibly enable us to market the beds to external partners e.g. the NHS. Estimated cost £ 25k

Signage, especially into the Borough, is in need of replacement. This will include the replacement of the Welcome to Essex signs and open up opportunities for sponsorship.

2016/2017 Capital Bids Summary

Lead Manager	Scheme	2016/17	2017/18	2018/19	Category
David Bull	Community Environmental Development Fund	250	250	250	Highways

Comments

This scheme will support street-scene infrastructure and environmental improvements which have demonstrable local priority.

Total Capital Bids	5,604	3,147	1,021
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Buildings	1,106	424	0
ICT	1,472	681	60
Libraries	170	70	0
Environment	2,406	1,722	711
Social Care	100	0	0
Highways	350	250	250
	5,604	3,147	1,021

Available Resources			
- New Prudential	3,000	3,000	3,000
- Existing Prudential	3,195	147	-
- Grant	140	-	-
	6,335	3,147	3,000